

## **The complaint**

Mr H complains about Revolut Ltd.

He says that Revolut didn't do enough to protect him when he became the victim of an investment scam and would like Revolut to refund him the money he has lost as a result.

## **What happened**

In September 2022, Mr H came across an investment advert for an investment with 'B'. He responded to the advert and was initially persuaded to pay a sum of £250.

However, after this initial investment, Mr H says that he was pressured into investing a further £10,000 funded by a loan. Mr H says that he was then put under extreme pressure to invest further as 'the market had taken a dip'.

Mr H funded the further investments through a number of loans he took out with different providers, which were credited to his account with NatWest, before being moved to his Revolut account and then on to the supposed investment.

In total, £119,400 passed through Mr H's account with Revolut and was subsequently lost to the scam.

Mr H complained to Revolut. He said that it should have intervened in what was happening and could've prevented the loss.

Revolut didn't uphold his complaint, so he brought it to this Service.

Our Investigator looked into things but didn't think that the complaint should be upheld.

Mr H asked for a final decision on his complaint, so it has been passed to me.

## **What I've decided – and why**

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

In deciding what's fair and reasonable in all the circumstances of a complaint, I'm required to take into account relevant: law and regulations; regulators' rules, guidance and standards; codes of practice; and, where appropriate, what I consider having been good industry practice at the time.

In broad terms, the starting position at law is that a bank is expected to process payments and withdrawals that a customer authorises it to make, in accordance with the Payment Services Regulations (PSR's) and the terms and conditions of the customer's account. And I have taken that into account.

Mr H accepts that he authorised the payments in question here – so although he didn't intend for the money he lost to end up in the hands of a scammer, he is presumed liable in the first instance. However, this is not the end of the story.

Taking into account the law, regulator's rules and guidance, relevant codes of practice and what I consider having been good industry practice at the time, I consider Revolut should fairly and reasonably:

- Have been monitoring accounts and any payments made or received to counter various risks, including anti-money laundering, countering the financing of terrorism, and preventing fraud and scams.
- Have had systems in place to look out for unusual transactions or other signs that might indicate that its customers were at risk of fraud (among other things). This is particularly so given the increase in sophisticated fraud and scams in recent years, which banks are generally more familiar with than the average customer.
- In some circumstances, irrespective of the payment channel used, have taken additional steps, or make additional checks, before processing a payment, or in some cases declined to make a payment altogether, to help protect customers from the possibility of financial harm from fraud.

In this case, I need to decide whether Revolut acted fairly and reasonably in its dealings with Mr H when he authorised payments from his account or whether it could and should have done more before processing them.

Having considered the payments that Mr H made from his account with Revolut, I do think that Revolut should have intervened in the payments he was making. While I understand that Revolut did block a payment, and Mr H confirmed he wanted to proceed and understood the risks in the Revolut app chat, I don't think that this intervention was proportionate given the sums involved.

However, while I do think that Revolut should have contacted Mr H and questioned him about the payments, and provide him with a relevant scam warning, I do also need to think that a better intervention would have prevented Mr H's loss – and I'm afraid that I don't think that it would.

Mr H has already told us that he took out several loans from different providers as part of the scam. Looking at his bank statement he has provided from NatWest I can see at least 11 credits that appear to be from different lenders. Mr H himself has said that he wasn't truthful in his applications for these loans – and told the providers that they were for home improvements.

I have also listened to a call that took place between Mr H and NatWest, which was requested as part of his complaint against Revolut as Mr H told us that he also hadn't been truthful with NatWest when it spoke with him about the transfers he was making to Revolut.

In this call, Mr H was questioned about the payments, and was asked if he had been told by anyone to open the account with Revolut. He said that he hadn't – but had opened his account with Revolut as it had preferable rates for transferring money abroad and he wanted to do some home improvements on an overseas property – but this was not the case. He had been told to open the account by the scammers. Mr H was also questioned about the loans which credited his account which Mr H had said were for home improvements.

So, while it wasn't Revolut that questioned Mr H, I do think this shows that Mr H was willing to conceal what was really going on – and was determined to make these payments. I also

think that had Revolut made a further intervention, that its very likely that Mr H would have gone on to conceal what he was doing again.

Mr H's wife has pointed out that Mr H was now sending money offshore, it would have been clear that it wasn't for home improvements – and her husband would have had to answer questions on the spot about what he was doing. But this is what Mr H had already told NatWest when it intercepted the payments Mr H made from his account with them – and that he was acting on his own.

So, taking all of this into account, I'm not persuaded that Mr H would've divulged any further information to Revolut that could have uncovered the scam.

I am very sorry for the situation that Mr H now finds himself in – he has been the victim of a cruel scam – and I understand that he is now under a lot of financial pressure due to the loans he has taken out. However, this has been caused by the scammers themselves, not Revolut.

### **My final decision**

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 15 February 2024.

Claire Pugh  
**Ombudsman**