

The complaint

Ms W complains that Revolut Ltd (Revolut) is refusing to refund her the amount she lost as the result of a scam.

Ms W is being represented by a third party. To keep things simple, I will refer to Ms W throughout my decision.

What happened

The background of this complaint is well known to all parties, so I won't repeat what happened in detail.

In summary, Ms W was part of an investment discussion group called Brown Wealth Alliance, the group shared trading tips. Ms W had invested in line with advice given on the group before and while she had made relatively low investments, she had made a profit.

Someone in the group suggested that Ms W should invest in Elderton Capital Limited (X). Before considering investing Ms W carried out an online search on X and found it had a low score on WikiFX. Ms W asked the group about this and was told the company she had found online was a different business with a different name and that they had invested in X and made a profit.

Satisfied that the investment was genuine Ms W opened an account with X. As expected, Ms W was asked to provide proof of her identification then asked to wait for approval, which made the scam seem even more legitimate.

After making several payments into the scam Ms W realised she was unable to withdraw funds from X's website, and the group she was in had been deleted. It was clear at this stage that Ms W had fallen victim to a scam.

Ms W made the following payments into the scam:

Date	Payee	Payment Method	Amount
1 October 2022	AQ PREDUCE HOLDING SDN BHD	International Transfer	£10,000
10 October 2022	AQ PREDUCE HOLDING SDN BHD	International Transfer	£40,000
13 October 2022	ANGKASA HALIA SDN.BHD	International Transfer	\$25,000
31 October 2022	AQ PREDUCE HOLDING SDN BHD	International Transfer	\$22,900

Our Investigator considered Ms W's complaint but didn't think it should be upheld. Ms W disagreed, so this complaint has been passed to me to decide.

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.

It has not been disputed that Ms W has fallen victim to a cruel scam. The evidence provided by both Ms W and Revolut sets out what happened. What is in dispute is whether Revolut

should refund the money Ms W lost due to the scam.

Recovering the payments Ms W made

Ms W made payments in relation to the scam via the method of International Transfer. When a payment is made in this way Revolut has limited options available to it to seek recovery.

Revolut did contact the receiving banks that Ms W made the payments to but each bank either said the funds had already been moved on, or they refused to refund them.

With the above in mind, I am satisfied that Revolut had no options available to it to recover the payments Ms W made.

Should Revolut have reasonably prevented the payments Ms W made?

It has been accepted that Ms W authorised the payments that were made from her account with Revolut, albeit on X's instruction. So, the starting point here is that Ms W is responsible.

However, banks and other Payment Services Providers (PSPs) do have a duty to protect against the risk of financial loss due to fraud and/or to undertake due diligence on large transactions to guard against money laundering.

The question here is whether Revolut should have been aware of the scam and stepped into question Ms W about the payments she was making. And if it had questioned Ms W, would it have been able to prevent the scam taking place.

The first payment Ms W made into the scam was for the high value of £10,000. This type of payment was not in keeping with the way Ms W usually operated her account. So, I think the payment should reasonably have triggered Revolut's fraud prevention systems prompting it to step in and question Ms W about the payment.

But even if Revolut did step in and question Ms W about the payments she was making I think it's unlikely it would have uncovered the scam.

Ms W would have likely given honest answers to the questions asked by Revolut. Revolut would have found that Ms W had been recommended to take out an investment with X from an investment group she was part of, and that she had previously taken a recommendation from that group, and it had worked out beneficial to her. She had also made a similar investment in the past and the signup process was familiar to her which gave her confidence in the investment.

Ms W would also have explained she had carried out online research about X and was comforted by a member of the investment group she appeared to trust.

Even if I accept that Revolut would have persuaded Ms W to look at the investment further before making the payment, I think she would likely have asked questions on the same investment group and again have been persuaded that the investment was legitimate.

As I don't think Revolut missed an opportunity to uncover the scam it's not responsible for Ms W's loss.

My final decision

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms W to accept or

reject my decision before 13 February 2024.

Terry Woodham
Ombudsman