

The complaint

Mrs B complains that Revolut Ltd (“Revolut”) won’t refund over £122,000 she lost to an investment scam.

The details of this complaint are well known to both parties, so I won’t repeat everything again here. Instead, I will focus on giving the reasons for my decision.

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.

Having done so, I agree with the conclusions reached by the investigator for the following reasons:

- Mrs B initially said that the scammers helped her make payments by watching her screen over Anydesk where they advised her what to do. However, she later told this service that she was not aware of the majority of the transactions being made from her Revolut account, such that she did not authorise them. But Mrs B has said she was aware the scammers had opened a Revolut account on her device and says they told her that they would deal with the account for her. The Payment Service Regulations 2017 (which applies to these transactions) do allow for payment transactions to be initiated by someone acting on behalf of the account holder, which can be agreed informally (e.g. by the account holder asking or permitting a third party to undertake a task on their behalf). And if the account holder has permitted a third party to appear as if they have the consumer’s authority to make payment transactions, those payment transactions will likely be authorised, even where the consumer didn’t ask the third party make any payments or know about them.
- In this instance, I’m satisfied Mrs B knew that the scammers had created a Revolut account, where she then either made the transfers herself or consented to the third-party scammer making transfers on her behalf. I say this because I can see that when Revolut was asking Mrs B about a particular payment, she provided a dated selfie to show it was genuinely her requesting it. So, I’m satisfied the disputed payments she made to her Binance wallet (where the funds were subsequently transferred on to the scammer) should be treated as authorised for the purposes of the PSRs 2017.
- With regards to authorised payments, the starting position is that banks ought to follow the instructions given by their customers in order for legitimate payments to be made as instructed. However, I’ve considered whether Revolut should have done more to prevent Mrs B from falling victim to the scam, as there are some situations in which a firm should reasonably have had a closer look at the circumstances surrounding a particular transfer. For example, if it was particularly out of character.
- It isn’t in dispute that some of the payments Mrs B made were unusual given that they did trigger Revolut’s fraud prevention systems and were automatically blocked pending further enquiry – such as the payment of £5,000 she made on 13 January 2023.

Accordingly, it's just a question of whether the bank went far enough in all the circumstances with its interventions.

- Revolut asked Mrs B questions through the in-app chat such as whether she had downloaded any screen sharing applications, whether she had sole access to her Binance account, the nature of the payments, as well as whether anyone had told her to create a Revolute account and was encouraging her to make an outbound transfer. I accept that Revolut could have arguably gone further in its questioning of Mrs B during its intervention, and I also think it had cause to question her much sooner than the tenth payment she was making as part of the scam. But even accepting this as the case, I'm not persuaded any such further questioning would have ultimately uncovered the scam and prevented the loss in any event.
- I say this because Mrs B answered Revolut's questions by saying she hadn't used any screensharing applications (which she had). She said she was using Binance for trading and storing cryptocurrency, despite being under the impression that she was transferring money to recover funds left in a dormant Binance account. She also told it that she had not had any contact by telephone or email to invest money. Mrs B says she wasn't aware of these questions, but I can see that she provided a dated selfie to Revolut as part of its security checks when it blocked the payment. Mrs B has said that she was being advised on what to say by the scammers at each step. And it was based upon the answers she gave that the Revolut was satisfied the payment wasn't likely being made as part of a scam.
- If Mrs B had answered the questions accurately and explained she was using Anydesk and was paying frequent sums in order to access funds in a dormant account, then I accept it would have been incumbent on Revolut to maintain suspicion about the payment and probe further into the circumstances. But seeing as Mrs B was not forthcoming with these details, I'm not persuaded that any further questioning or earlier intervention would have prevented the scam either, as it seems more likely than not that Mrs B would not have given honest and accurate answers.
- So, in these circumstances, I don't consider it would be fair and reasonable to hold Revolut liable for Mrs B's loss, because it seems more likely than not that she would have always made the payment to the scammers, notwithstanding any intervention.

I appreciate this will likely come as a disappointment to Mrs B, and I'm sorry to hear she's fallen victim to such a cruel scam. However, I'm not persuaded that Revolut can fairly or reasonably be held liable for her loss in these circumstances.

My final decision

For the reasons given above, I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs B to accept or reject my decision before 6 November 2023.

Jack Ferris
Ombudsman