

The complaint

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

Ms A is being represented by a third party. To keep things simple, I will refer to Ms A 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 A found an advertisement online for a business called Terra Markets (X). The website looked professional, and Ms A was convinced the advertisement was for a genuine business.

Ms A signed up for an account with X and was provided with access to a trading platform where she was able to track her investments. Ms A was also asked by X to download the screen sharing application AnyDesk so that X could assist her with the investment.

X explained how the investment worked which at the time seemed reasonable. Ms A was asked to open accounts with both Revolut and Binance (a genuine cryptocurrency exchange).

The payments Ms A made into the investment were guided by X who reassured her throughout the process.

Ms A funded the investment with savings, credit cards, and several loans that were applied for online by X remotely using the screen sharing software she had downloaded.

The trading platform provided by X showed Ms A had made a substantial profit, although when she tried to make a withdrawal from her investment X stopped communicating with her and it was clear Ms A had fallen victim to a scam.

The following are payments Ms A has complained were made into the scam via her Revolut account:

| Date | Payee | Payment Method | Amount |
|---------------|-----------------|----------------|------------|
| 28 April 2022 | Skrill | Transfer | £25,000.00 |
| 3 May 2022 | Skrill | Transfer | £20,000.00 |
| 3 May 2022 | Skrill | Transfer | £5,000.00 |
| 6 May 2022 | Skrill | Transfer | £25,000.00 |
| 7 May 2022 | Skrill | Transfer | £25,001.00 |
| 12 May 2022 | Skrill | Transfer | £10,000.00 |
| 13 May 2022 | Skrill | Transfer | £10,998.00 |
| 13 May 2022 | Skrill | Transfer | £4,012.00 |
| 14 July 2022 | Recovered Funds | Credit | - £0.42 |

Our Investigator considered Ms A's complaint but didn't think it should be upheld. Ms A 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 A has fallen victim to a cruel scam. The evidence provided by both Ms A and Revolut sets out what happened. What is in dispute is whether Revolut should refund the money Ms A lost due to the scam.

Recovering the payments Ms A made

Ms A made the payments into the scam from her Revolut account via the method of transfer. When payments are made by this method the only recovery option Revolut has is to ask the receiving party if any funds remain, to be refunded. But Ms A made her payments into an account in her own name and the funds were then sent to the scammer so I am satisfied this option would not have been available to Revolut and it had no reasonable options available to it to recover the payments Ms A made.

Should Revolut have reasonably prevented the payments Ms A made?

It has been accepted that Ms A authorised the payments that were made from her account with Revolut, albeit on X's instruction. So, the starting point here is that Ms A 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 A about the payments she was making. And if it had questioned Ms A, would it have been able to prevent the scam taking place.

The first payment Ms A made into the scam was for the high value of £25,000, followed by a second payment of £20,000. Considering the value of these payments I think it would have been reasonable for the payments to have triggered Revolut's fraud prevention systems prompting it to step in and question Ms A about the payments she was making.

But even if Revolut had questioned Ms A about the payments she was making I think it's unlikely it would have uncovered the scam and been able to prevent it. I say this because Ms A transferred funds from another account in her name at another bank, to her Revolut account before these payments were made. And the other bank did step into question Ms A.

I have listened to recordings of calls between Ms A and the other bank that she sent funds from.

Ms A did not give honest answers during these calls. When asked what the payment was for Ms A said she was moving the money to another of her own accounts to be used for home improvements. When Ms A was advised she could make the payments from the other bank account she said she didn't want to keep all the money in one account. Ms A also confirmed that no one had told her how to answer questions if asked by the bank and that no one had asked her to mislead the bank.

Giving false information like this would have helped disguise the scam that was taking place making it difficult to uncover.

Ms A also told us loans were taken out in her name remotely. But Ms A was aware loans were being taken out in her name and I think it's likely Ms A would have seen the application process. The reason for these loans was given as "home improvements". Again, this was incorrect, yet Ms A continued with the loans and didn't cancel them.

It's clear from the information we have that Ms A was being guided with what to say when she took loans out to fund the investment, and when she made payments in relation to the investment. It's also clear that Ms A was willing to give false information to banks and other lenders to take part in the investment itself.

I think it's most likely that if Revolut had stepped in and questioned Ms A about the payments she was making from her Revolut account, that Ms A would have also given false information to Revolut masking the true intention of the payments she was making.

I understand Ms A feels Revolut should have done more to protect her from the scam. But for the reasons I've explained above, I don't think Revolut missed an opportunity to prevent the scam and it's not responsible for Ms A'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 A to accept or reject my decision before 28 February 2024.

Terry Woodham
Ombudsman