

## **The complaint**

Mrs C complains that Revolut Ltd did not refund a payment of £15,000 she lost to a scam.

## **What happened**

Mrs C met a man online who I'll call 'X'. They began to talk and soon moved off the dating website and onto private messaging between each other. Their relationship grew and became more serious, and they spoke regularly on the phone. Eventually, X began asking for money from Mrs C and she was initially wary and asked for a copy of his passport, which he provided. Upon receiving this, she felt more confident and began sending money to X. On 27 October 2022 she sent him £15,000 from her Revolut account. X continued to ask for money and said it was all related to tax issues he had for a project.

Eventually, Mrs C's daughter became aware that X was asking her for money and tried to explain that X was a scammer. Mrs C initially did not accept this, and it was only when she drove to Bristol with her daughter to the address provided by X and found it vacant that she accepted that she had been the victim of a scam. Mrs C raised a fraud claim with Revolut in March 2023 and they issued a final response letter. In this, they explained that they did flag the payment for further questions and Mrs C confirmed it was for garden renovations. After going through scam warnings and security questions Mrs C approved the payment and it was sent.

Mrs C referred the complaint to our service and our Investigator looked into it. They explained that the payment was not covered under the Contingent Reimbursement Model (CRM) code, which provides additional protection for victims of these kind of scams. They did agree that the payment of £15,000 needed further questions as Mrs C had selected foreign travel as the reason for opening the account, meaning a large payment shortly afterwards for garden renovations didn't align. However, they did not think that further questions would have revealed the scam as Mrs C had been deep under the spell of X and had not told friends or family about giving him money. And even when her daughter confronted her about it, the spell was not broken until she drove many hours to the fake address.

Mrs C's representatives did not agree with the findings. They said she would not have had answers to Revolut's questions had they probed further and felt Mrs C's vulnerabilities, such as her medical issues and recent divorce, had not been taken into consideration.

As an informal agreement could not be reached, the case has been passed to me for a final 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.

It's clear that Mrs C has been the victim of a particularly cruel scam, and that the intention was for X to take her money. As explained previously, this transaction does not fall under the

CRM code, as Revolut has not signed up to this voluntary code. However, Revolut still has a basic duty of care to its customers to protect them from financial harm.

Broadly speaking, the starting position in law is that an account provider is expected to process payments and withdrawals that a customer authorises it to make, in accordance with the terms and conditions of the account. And a customer will then be responsible for the transactions that they have authorised.

It's not in dispute here that Mrs C authorised the payment of £15,000 as she believed she was sending it to someone she could trust. So, while I recognise that Mrs C didn't intend the money to be lost as part of a scam, the starting position in law is that Revolut was obliged to follow Mrs C's instruction and process the payment. Because of this, Mrs C is not automatically entitled to a refund.

The regulatory landscape, along with good industry practice, also sets out a requirement for account providers to protect their customers from fraud and financial harm. And this includes monitoring accounts to look out for activity that might suggest a customer was at risk of financial harm, intervening in unusual or out of character transactions and trying to prevent customers falling victims to scams. So, I've also thought about whether Revolut did enough to try to keep Mrs C's account safe.

I've looked over the statements for the account and can see it had not been open for very long prior to the transaction in question. There were some smaller transactions prior to the £15,000 being sent, however looking at the communications between Mrs C and X, it appears these also form part of the scam. Some of these were returned by X later on, however Mrs C has not raised these as part of her complaint with either Revolut or our service, so I have only considered the £15,000 as part of this decision.

On balance, I do think the £15,000 was unusual when compared to the previous activity on the account and the value was significant enough to have warranted further intervention. I can see that this happened and Revolut asked Mrs C what the payment was for. She initially selected 'goods and services' and then went through to chat with an advisor on the app. When Mrs C was asked what the payment was for, she said garden renovations, which did not align with the reason given for the account opening just a few weeks prior. Considering this, I agree that additional probing questions should have been asked.

I've gone on to consider whether or not additional questions would have revealed the scam. I've reviewed all of the communications between Mrs C and X and can see they had been talking outside of the dating website for a month when Mrs C sent him the £15,000. However, that was not the first time she had sent him money, and a third-party bank she held accounts with had frozen her account on more than one occasion due to suspected fraud in relation to these payments. And she had given cover stories to other banks for other payments, such as purchasing a car.

In addition, she had concealed her actions from friends and family, including visits to the bank when she was sending X money. Even after making the payment of £15,000, it took almost another month and Mrs C's daughter finding out she was attempting to send further funds to reveal the scam. And as explained previously, even then Mrs C had to make the journey to the address given to her by X to break the spell.

Considering all of this, I think it was clear that Mrs C was deeply under X's spell and was going to lengths to conceal that she was sending money to him. So, I think it's likely she would have been able to answer any of Revolut's additional questions effectively to continue with the payment. And I don't think any targeted scam warning would have broken the spell for Mrs C at that time.

I appreciate Mrs C's representatives have said that Revolut should have taken into account her vulnerabilities as she has medical issues that make her impulsive, and she separated from her husband the year before. I've considered if Revolut should reasonably have been aware of these issues, but I can't see these were mentioned to them or that there was a reasonable time in which these could have been discovered by them prior to the transaction occurring. So, I don't think they could fairly be expected to take these into consideration when processing the payment or investigating the fraud.

Revolut has not provided evidence showing that they attempted to recover the funds. However, Mrs C did not make them aware of the fraudulent transaction until around five months after the transaction was processed. Typically, a scammer will remove funds from the beneficiary bank account as soon as possible. So, I think it is unlikely any funds would have remained at that point.

Having carefully considered everything available to me, while I think Revolut should have asked more probing questions, I think it's unlikely these would have broken the spell and revealed the scam. And as Revolut was unaware of Mrs C's vulnerabilities, I don't think they could reasonably have taken them into consideration when processing the payment or investigating the fraud. And I think it is unlikely they could have recovered any funds at the point Mrs C made them aware of the fraudulent transaction.

### **My final decision**

I do not direct Revolut Ltd to take any further action to remedy Mrs C's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs C to accept or reject my decision before 28 November 2023.

Rebecca Norris  
**Ombudsman**