

The complaint

Mr C is unhappy with the service Revolut Ltd provided after he was the victim of an authorised push payment (APP) scam.

What happened

Where the circumstances of the complaint are well known to both parties, I won't detail them again here. Rather, I'll focus on setting out the key reasons for my decision. I hope Revolut and Mr C won't take this as a discourtesy; it's just a reflection of the informal nature of our service.

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 investigator's findings for broadly the same reasons, which I will go on to explain. Before I do, I want to acknowledge that I understand my decision will be disappointing to Mr C. But based on the evidence, I am not persuaded that Revolut ought to refund the disputed transactions.

It's not in dispute that Mr C authorised the transactions in question. He was duped by the scammer into transferring the funds into a fabricated 'safe' account. And it's not in dispute that those payments were considered unusual given they were flagged to Revolut and prompted it to issue warnings/ask further questions through its in-app chat. So, I've focused on the extent of Revolut's intervention and whether it could've reasonably done anything more to prevent the scam.

On 6 April 2023, Mr C made the original payment of £250 and a couple of hours later Mr C made a following payment of £22,250. With the first payment Mr C made, I am satisfied it wouldn't be reasonable to expect Revolut's systems to have been triggered, I say this because it's a relatively nominal amount and if Revolut were expected to check each transaction of this value it would cause significant inconvenience for its customers. Mr C made the second payment of £22,250. This was unusual and represented the largest occurrence of expenditure on the account in recent times. As such, I think it is reasonable to conclude that this ought to have triggered B's fraud detection systems. Therefore, I think it would be reasonable to have expected Revolut to have taken steps to complete a formal intervention at that point by asking Mr C more questions surrounding the payment.

However, I have gone on to consider the events that surrounded the payment in question. When Mr C made the payment, he chose the option 'something else' for the payment reason. I do note, there is an option for 'safe account' which Mr C would have been able to see and select if he'd wished to do so.

Despite that, Revolut provided a written warning about safe account scams in the in-app chat. The warning was quite long but in summary it outlined that, scammers may pretend to

be financial institutions and contact you from numbers that appear to be trusted. The warning went on to say that scammers can often call and say your account is not safe and that you need to move your money to another account, a 'safe account'. From reviewing Mr C's testimony, I think it's reasonable to conclude, the warning issued by Revolut summarised Mr C's circumstances almost exactly. However, Mr C proceeded to make the payment. Therefore, I don't think Revolut ought reasonably to have had further cause for concern.

Even if it's argued that Revolut could have attempted a more formal intervention and contacted Mr C to ask further questions, probed Mr C further or even highlighted again that 'safe accounts' is a common scam, I am not persuaded this would have made any difference in this particular case. I say this for two reasons, firstly Mr C was told by the scammer not to talk to anyone as he wouldn't be covered by his insurance if he did. So, I think it is unlikely he would have spoken openly and honestly to Revolut if at all.

Secondly, the circumstances of this case are quite unique, as the scammer was on the line in real time with Mr C. So, where a scam may be unveiled in some circumstances by further probing, in this case as the scammer was on the phone to Mr C in real time, I think any further probing wouldn't have unveiled the scam as Mr C would have been told how to answer any further questions. And this is supported by Mr C choosing to put 'something else' for the reason for payment and how he proceeded despite the receiving Revolut's warning.

I find this crucial, as Mr C was clearly relying more on the scammer's advice and counsel, rather than the warnings and support from Revolut. As Mr C wasn't forthcoming with information (the real reason for making the payment) it meant that Revolut were not given critical insight into what was really happening. Therefore, even though I accept that Revolut ought to have done more, I don't think its failure to probe further could reasonably be considered as the proximate cause of Mr C's loss in these circumstances, as it seems likely he would have given misleading information and proceeded to make the transactions irrespective of any intervention due to the hold the scammer had over Mr C.

I've also thought about whether Revolut did enough to try and recover the funds after the fraud was reported. Revolut attempted to recover the funds but was told that the money had already been moved from the receiving accounts prior to the fraud being reported. Therefore, I'm not persuaded it could have reasonably done anything more to recover Mr C's funds in these circumstances.

I appreciate this will likely come as a disappointment to Mr C, and I'm sorry to hear he has been the victim of a cruel scam. However, I'm not persuaded that Revolut can fairly or reasonably be held liable for his 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 Mr C to accept or reject my decision before 20 December 2023.

Jade Rowe
Ombudsman