

## The complaint

Miss P complains that Revolut Ltd won't refund the money she lost when she was the victim of a scam.

## What happened

Around mid-2021, Miss P was looking for new ways to invest her money. She saw an advert on a social media platform for a company offering investment services, clicked the link and filled in an online enquiry form. She then received a phone call from someone who said they worked for the investment company, and discussed their trading platform and the services they provided. And, as Miss P was happy to invest, she was then transferred to someone who said they were an account manager at the investment company.

The manager asked Miss P to download software so they could access her computer and guide her through opening the accounts she needed to start investing, which she did. And, following the manager's instructions, Miss P then made a number of payments from accounts with other banks to the accounts she had opened. Miss P was also given log-in details for the investment company's trading platform, which showed her investment and the profits she was making.

After a few months, the trading platform showed Miss P had made a significant profit and so she asked to withdraw some of the money. The manager then told her she needed to pay more money in to be able to withdraw her profits and, as she didn't have enough money for these additional payments, suggested she take out loans to get the money. Miss P then took out two loans, but some of the payments to transfer the money from the loans were blocked by the other banks so the manager suggested Miss P open an account with Revolut and send the money via there. Miss P then opened an account with Revolut and made three payments from it, as set out below:

Date	Details	Amount
20 October 2021	To cryptocurrency exchange	£2,720
25 October 2021	To cryptocurrency exchange	£10,000
25 October 2021	To cryptocurrency exchange	£2,550

Unfortunately, we now know the investment company was a scam.

The scam was uncovered as the investment company stopped responding to her calls and emails after Miss P made this last payment. The investment company's website also disappeared and Miss P was unable to log-in to the trading platform anymore. So she reported the payments to Revolut as fraud and asked it to refund the money she had lost.

Revolut investigated but said it had shown Miss P warnings about possible scams and had done all it could to try to recover the money she had lost. So it said it had done everything it could to protect her and didn't agree to refund the payments. Miss P wasn't satisfied with Revolut's response, so referred a complaint to our service.

I sent Miss P and Revolut a provisional decision on 24 August 2023, setting out why I wasn't intending to uphold the complaint. An extract from my provisional decision is set out below:

*"In broad terms, 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 customer's account. And a customer will then be responsible for those transactions that they have authorised."*

*It's not in dispute here that Miss P authorised the payments. She accepts she made them herself, as instructed to by the scammers. So while I recognise that she didn't intend the money to go to scammers, the starting position in law is that Revolut was obliged to follow her instructions and process the payments. So Miss P isn't 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 Miss P's account safe.*

*The first payment Miss P made wasn't for what I'd consider to be a particularly large amount. And she'd opened the account specifically to make these payments, so there wasn't any previous account activity for Revolut to compare the payment to. So I think it's reasonable that Revolut didn't identify this first payment as unusual or out of character for Miss P or take any further action before allowing it to go through.*

*The second payment Miss P made was for a larger amount, was the second payment made to a new payee in a few days, and was significantly larger than the first payment to that payee. So I think Revolut should have identified that Miss P was at risk of financial harm as a result of it.*

*But even if Revolut had intervened and given Miss P more of a warning about the type of scam she could be falling victim to, I don't think it would have made a difference or prevented Miss P from losing her money.*

*Before making the payments from her Revolut account, Miss P had made a number of payments from an account with another bank, but this other bank had then refused to allow any further payments to cryptocurrency exchanges due to concerns about fraud. Miss P had also had her account with a previous cryptocurrency exchange closed due to fraud concerns. She had been asked to mislead her bank about the circumstances surrounding the payments she had made. And she was aware the investment company wasn't regulated by the FCA. But she still continued to make payments to the investment company, and even opened new accounts in order to do so.*

*So even if Revolut had done what we'd expect and intervened here to give Miss P a warning about the type of scam she could be falling victim to, I think she would still have continued making the payments. And so I don't think anything we would expect Revolut to have done would have prevented this scam, or that it would then be fair to require it to refund the money Miss P lost.*

*I've also considered whether Revolut did enough to try to recover the money Miss P lost, once it had been told about the scam. We'd expect a business to take reasonable steps to try to recover the money from the bank it was sent to. But the bank the money was sent to has said the funds were moved on almost immediately after they were paid into the account,*

*and before Revolut was told about the scam. So I don't think anything we would reasonably expect Revolut to have done could have recovered the money Miss P lost.*

*I sympathise with the position Miss P has found herself in. She has been the victim of a cruel scam and I appreciate that my decision will come as a disappointment to her. But, for the reasons I've set out above, I don't think Revolut has acted unreasonably or that anything I would reasonably have expected it to do would have prevented this scam. So I don't think it would be fair to require Revolut to refund the money Miss P has lost."*

I said I'd consider anything further Miss P and Revolut sent in following the provisional decision, provided it was received by the deadline given.

### **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.

Both Miss P and Revolut responded to the provisional decision saying they accepted it, and neither provided any further evidence or arguments.

So, as neither Miss P or Revolut had anything further to add, I still think the conclusions I set out in the provisional decision were correct – and for the same reasons. I still don't think anything we would expect Revolut to have done would have prevented this scam, or that it would be fair to require it to refund the money Miss P lost.

### **My final decision**

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss P to accept or reject my decision before 5 October 2023.

Alan Millward  
**Ombudsman**