

The complaint

Mr D complains that Revolut Ltd (Revolut) is refusing to refund him the amount he lost as the result of a scam.

Mr D is being represented by a third party. To keep things simple, I will refer to Mr D 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, Mr D tells us he was contacted by an individual (X) posing as a representative from a bank Mr D held an account with. X had called Mr D from a withheld number and explained that fraudulent payments were being attempted on his account. X said Mr D should open an account with Revolut and move his funds to that account.

Mr D tells us he was then instructed by X to move his funds to Tap.Global which he believed to be a safe account controlled by his trusted bank.

X instructed Mr D to attend his local branch the following day with a security phrase to collect his new account details and cards. Mr D was told that his branch would have access to the safe account and would be able to transfer the funds back to him.

When Mr D visited his local branch, he was advised he had fallen victim to a scam.

Mr D made the following payments in relation to the scam:

Date	Payee	Payment Method	Amount
12 May 2023	Http://tap.global	Debit Card	£5,000.00
12 May 2023	Http://tap.global	Debit Card	£4,370.63
12 May 2023	Http://tap.global	Debit Card	£680.00
13 May 2023	Http://tap.global	Debit Card	£5,000.00
13 May 2023	Http://tap.global	Debit Card	£4,357.04
13 May 2023	Http://tap.global	Debit Card	£5,000.00
13 May 2023	Http://tap.global	Debit Card	£623.01
13 May 2023	Http://tap.global	Debit Card	£3,734.37

Our Investigator considered Mr D's complaint and didn't think it should be upheld. Mr D 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.

Mr D says Revolut should reimburse him for his loss as it failed to protect him from a scam.

There is very little evidence that a scam has taken place other than Mr D's testimony which differs from the information he provided to Revolut when setting up his Revolut account to make the payments he has complained about.

Recovering the payments Mr D made

Mr D made payments via his debit card. When payments are made by card the only recovery option Revolut has is to request a chargeback.

The chargeback scheme is a voluntary scheme set up to resolve card payment disputes between merchants and cardholders. The card scheme operator ultimately helps settle disputes that can't be resolved between the merchant and the cardholder.

Such arbitration is subject to the rules of the scheme, meaning there are only limited grounds and limited forms of evidence that will be accepted for a chargeback to be considered valid, and potentially succeed. Time limits also apply.

Revolut has explained that Mr D authorised the payment from his Revolut account via the 3D secure feature and therefore there are no chargeback rights for the payments according to the rules set by Visa.

Should Revolut have reasonably prevented the payments Mr D made?

It has been accepted that Mr D authorised the payments that were made from his account with Revolut, albeit on X's instruction. So, the starting point here is that Mr D 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 had concerns about the payments Mr D was making and have intervened. And if it had intervened, would it have been able to prevent the scam taking place.

I can see from the information provided by Revolut that Mr D opened his Revolut account on 10 May 2023. Mr D told us (as above) that this was on the instruction of X to send his funds to from an existing account elsewhere, then onto a safe account.

On 11 May 2023 Revolut contacted Mr D. This was before any payments left his Revolut account. It explained that the payments Mr D was attempting were highly likely to be related to a scam. Revolut went on to explain that it had spoken to another customer who had attempted similar transactions and they had confirmed the payments were scam related.

Mr D confirmed he had not downloaded screen sharing software, he had not opened the Revolut account after learning about an investment opportunity on social media, he had not received any unsolicited calls or messages recently telling him to move his money to a safe account or to create a Revolut account for investment purposes. Mr D also confirmed he was buying crypto currencies.

The information Mr D provided contradicts what he has told us about the scam. Mr D told us he had opened the account with Revolut following an unsolicited call telling him to move his funds to a safe account. Mr D has also not mentioned buying cryptocurrency as part of the scam he says he fell victim to.

As Mr D said he was buying cryptocurrency Revolut asked him further questions based on

this type of transaction.

Mr D confirmed he had carried out his own research, was using a company called Tap Ltd that was verified and that he had been investing in crypto for a few years. Mr D further explained that he uses Tap to send money to his other crypto accounts as it's easier than using other well-known cryptocurrency exchanges.

On further questioning, Mr D confirmed he was sending funds to an account controlled by him that was created 30 years ago and that he had successfully withdrawn from it.

The explanation Mr D gave Revolut during this conversation created a completely different version of events to those he has stated in his complaint. Mr D was specifically asked about the setting up of a safe account but instead gave completely different reasons for the payments he was making.

It's not clear why Mr D gave two differing accounts for the reasons behind the payments he was making but I think it's unlikely he would have given more honest answers had Revolut asked further questions about the payment he was making.

For the reasons I've explained above I don't think Revolut missed an opportunity to uncover the scam Mr D says he fell victim to, and it is therefore not responsible for his loss.

My final decision

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 10 May 2024.

Terry Woodham
Ombudsman