

The complaint

Mrs S complains that Revolut Ltd (“Revolut”) have failed to refund money that she lost as part of an investment scam.

What happened

Mrs S was contacted by someone who said they worked for a Crypto trading company that I will call B. From what I can see, Mrs S made debit card payments totalling over £19,000 to two crypto exchanges. The funds were then sent on to B. The payments were as follows;

Transaction Number	Date	Amount	Merchant
1	1/09/2022	£215.65	Coindeck
2	19/09/2022	£450	Binance
3	22/09/2022	£3,700	Binance
4	27/09/2022	£5,700	Binance
5	30/09/2022	£1,000	Binance
6	03/10/2022	£2,620	Binance
7	10/10/2022	£1,500	Binance
8	12/10/2022	£2,200	Binance
9	16/12/2022	£1,350	Binance
10	19/12/2022	£830	Binance

Mrs S wanted to withdraw the “profits” she could see that she had made with B, but she was told that she was unable to do so without paying a withdrawal fee. Mrs S made two more payments (9 and 10 in the table above) but was still unable to withdraw any money from B. At this point Mrs S realised she had been scammed.

Mrs S raised a complaint with Revolut as she believed that Revolut should have stopped her from making the payments in question.

One of our investigators looked into this matter and they decided that the transactions were not sufficiently out of character to warrant an intervention by Revolut and that there was no other means of Revolut recovering the funds.

Mrs S did not agree with this and therefore her complaint was passed to me to issue 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.

Having done so, I agree with the conclusions reached by the investigator for the following reasons:

I am satisfied albeit on balance that Mrs S authorised the payment she made from her Revolut account (where her funds were subsequently transferred on to the scammers). Mrs S has said in her submissions that B took over her tablet via remote access software and used this to make the payments in question though she has not claimed that the payments were done without her consent. Revolut says that their app can't be accessed when remote software is present. So overall and on balance I think that Mrs S did authorise the payments in question under the instructions of the scammer.

The transaction was requested by her using her legitimate security credentials provided by Revolut, and the starting position is that banks ought to follow the instructions given by their customers in order for legitimate payments to be made as instructed.

However, I've considered whether Revolut should have done more to prevent Mrs S from falling victim to the scam, as there are some situations in which a bank should reasonably have had a closer look at the circumstances surrounding a particular transfer. For example, if it was particularly out of character. However, having taken Mrs S's account activity, I do not think the payments she is disputing should have been regarded as particularly unusual.

I say this because the account was recently opened so Revolut would not know what Mrs S's usual payments looked like. So, it did not have anything to compare the payments too to decide whether they were unusual or out of character. The payments were spread out rather than done in one or two days and the largest payment was preceded by smaller payments over a three-week period. So overall I am not satisfied that they ought to have made Revolut question the payments Mrs S made.

So, having considered the payments Mrs S made, I'm not persuaded there was anything that ought reasonably to have triggered Revolut's fraud monitoring systems or that would have indicated she was in the process of being scammed. I therefore do not consider there to have been any obligation on Revolut to have intervened any further

I've also thought about whether Revolut did enough to attempt to recover the money Mrs S lost. As the payments were made by debit card, the only recourse for potential recovery of the payments would be via the chargeback scheme.

Revolut did not raise a chargeback but I don't think that there was any reasonable chance of a chargeback being successful as the crypto exchanges ultimately provided Mrs S with the service she paid for which was the purchase of crypto.

I appreciate this will come as a disappointment to Mrs S, and I'm sorry to hear she has been the victim of a cruel scam. However, I'm not persuaded that Revolut can fairly or reasonably be held liable for her 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 Mrs S to accept or reject my decision before 21 November 2023.

Charlie Newton
Ombudsman