

The complaint

Mrs C complains that Revolut Ltd (Revolut) has refused to refund her the money she lost because of a scam.

Mrs C is being represented by a third party. To keep things simple, I will refer to Mrs C 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, Mrs C came across a cryptocurrency investment opportunity through Facebook which appeared to be endorsed by a well-known celebrity. After carrying out some online research Mrs C decided she wanted to invest and completed an online form with her details.

Mrs C received an initial call, and it was explained that an account handler would be in touch to discuss the investment. Two days later Mrs C received a second call from an individual claiming to be her account handler. I will call this person X.

During the discussion Mrs C had with X she was asked to download the screen sharing application 'AnyDesk'. While Mrs C was reluctant to download the app she agreed as X explained the process of opening accounts with Revolut and Binance were complicated and required for the investments to work.

After several small payments were made from Mrs C's account X asked for larger payments to be sent. It explained these larger amounts wouldn't be used to trade but instead as proof of liquidity and they would be returned to her the same day.

Mrs C agreed but soon realised the payments she agreed to had been sent to a business called Skrill and not Binance as she had expected. This caused Mrs C concern, so she contacted X. X asked Mrs C to make further payments, and even to increase an overdraft on another of her accounts to fund the payments.

At this point Mrs C realised she had fallen victim to a scam and refused to make any further payments.

The following payments were made in relation to the scam:

<u>Date</u>	<u>Payee</u>	<u>Amount</u>	<u>Payment Method</u>
9 June 2022	Skrill Ltd	£20	Transfer
15 June 2022	Skrill Ltd	£500	Transfer
22 June 2022	Skrill Ltd	£100	Transfer
23 June 2022	Skrill Ltd	£100	Transfer
23 June 2022	Skrill Ltd	£98	Transfer
23 June 2022	Skrill Ltd	£9,347	Transfer
23 June 2022	Skrill Ltd	£5,653	Transfer

Our Investigator considered Mrs C's complaint but didn't think it should be upheld. Mrs C 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.

It has not been disputed that Mrs C has fallen victim to a cruel scam. The evidence provided by both Mrs C and Revolut sets out what happened. What is in dispute is whether Revolut should have to refund the money Mrs C lost due to the scam.

Recovering the payments Mrs C made

Payments were made into the scam via the method of transfer. When a payment is made in this way Revolut has limited options available to it to recover the funds. From the information provided by Revolut I can see that it did contact the business the payments were made to in an attempt to recover them, but the funds had already been moved on.

So, I am satisfied Revolut was unable to recover the payments made in relation to the scam.

Should Revolut have prevented the payments Mrs C made?

I think it's likely Mrs C authorised the payments she made from her Revolut account, I say this because Revolut has explained the payments were processed using biometric authentication and Mrs C's app passcode. So, the starting point here is that Mrs C 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 stepped in when Mrs C was attempting to make the payments, and if it had, would it have been able to prevent the scam taking place.

The account Mrs C made the payments from with Revolut was a new account which had no payment history to compare her usual spending habits with. But considering the high value of the last two payments Mrs C made I think it would have been reasonable for Revolut to step in and question Mrs C about them. But I don't think this would have made a difference. I'll explain why.

Mrs C has confirmed that X coached her about what to say to Revolut had they asked, helping her to disguise what the payments were for.

Mrs C moved money from an account she held at another bank to fund the payments she made from her Revolut account. As part of the process a security call took place and Mrs C

was asked why she was transferring the funds.

During this call Mrs C confirmed she had not been contacted by anyone to make the payments and that she had not been convinced to make the payments by anyone else either. Mrs C went on to explain that she would be using the money for traveling and that the Revolut account had been recommended to her by her brother.

All the above was incorrect and I think this demonstrates Mrs C was willing to give false information to her bank to process the payments. Had Revolut stepped in and questioned Mrs C about the reasons she was making the payments from her Revolut account I think it's highly likely she would have given further misleading answers provided to her by X to have the payments processed.

So, I think it's unlikely that had Revolut stepped in and asked Mrs C about the payments it would have been able to uncover the scam and prevented it from progressing. So, Revolut is not responsible for Mrs C's loss.

My final decision

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs C to accept or reject my decision before 26 December 2023.

Terry Woodham
Ombudsman