

## **The complaint**

Mr C complains that Revolut Ltd didn't do enough to protect him from losing money to an investment scam.

## **What happened**

Mr C has explained that in March 2022 he made a number of payments from his Revolut account which he subsequently realised have been lost to scammers. The payments were all made by debit card to Binance and totalled £64,800.

Mr C got in touch with Revolut to report he'd been scammed. Revolut didn't reimburse his lost funds. Remaining unhappy, Mr C referred his complaint about Revolut to our service. As our Investigator was unable to resolve the matter informally, the case has been passed to me for a 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.

Mr C has made detailed submissions. I've read and considered everything he's sent in, but I won't be responding in similar detail. If I don't mention a particular point or piece of evidence, it isn't because I haven't seen it or thought about it. It's just that I don't feel the need to reference it to explain my decision. This isn't intended as a discourtesy. It reflects the informal nature of our service.

I've decided to not uphold this complaint for materially the same reasons as our Investigator. I'll explain why.

I'm sorry if Mr C lost money to scammers but this doesn't automatically entitle him to a refund from Revolut. It would only be fair for me to tell Revolut to reimburse Mr C if I thought it reasonably ought to have prevented the payments or it unreasonably hindered recovery of the funds.

## **Prevention**

I'm satisfied Mr C authorised the relevant payments. Revolut would generally be expected to process payments a customer authorises it to make. And under The Payment Services Regulations and the terms and conditions of the account, Mr C is presumed liable for the loss in the first instance, in circumstances where he authorised the payments. That said, as a matter of good industry practice Revolut should have taken proactive steps to identify and help prevent transactions – particularly sufficiently unusual or uncharacteristic transactions – that could involve fraud or be the result of a scam. However, there are many payments made by customers each day and it's not realistic or reasonable to expect Revolut to stop and check every payment instruction. There's a balance to be struck between stopping and checking payments and allowing customers ready access to their funds.

In this case, I understand Revolut *did* block at least Mr C's first relevant attempted payment due to its high-risk nature and Mr C was provided with a warning to explain this. Mr C's Revolut account had been opened only on 15 March 2022, right before his string of 11 payments in March 2022 that I understand he's sadly lost to a scam. So Revolut didn't have any real account history on which to base an assessment of whether the payments were sufficiently unusual or uncharacteristic to warrant further intervention. However, I agree with our Investigator that given the size of the payments and their frequency, I think that by around 22 or 23 March 2022 Revolut ought to have intervened further and provided Mr C with a tailored scam warning. However, if Revolut failed to intervene to an appropriate level in the payments before they were executed, this isn't enough by itself to uphold this complaint – I'd need to be satisfied that appropriate intervention from Revolut would most likely have *prevented* the payments from being made.

And in this particular case, I'm not sufficiently satisfied appropriate intervention from Revolut most likely would have prevented the payments from being made. I say this because earlier the same month Mr C also made some payments he says he lost to a scam from his separate Starling account. And as Mr C will be aware, he brought a complaint to our service about Starling separately to this one, in which I decided that Starling spoke to Mr C about his payments (from his Starling account) before they were allowed through; Starling explained it was seeing many scams related to cryptocurrency, and that it was virtually impossible to recover the funds if something went wrong, so it was checking upfront if everything was okay. And it asked Mr C questions around this, with the intention of disturbing or unearthing a potential fraud or scam. Unfortunately, at this time, Mr C wasn't open with Starling around the context of his payments. He's since explained that he'd been looking online to do some trading and he'd entered his details on a website to obtain further information – and that he'd then received a call from the scammers purporting to offer a legitimate investment platform he could use, which he'd decided to go ahead with. On the calls with Starling though, before the payments were sent, Starling asked Mr C if he'd been contacted by anyone to discuss or otherwise encourage him to make crypto investments, or whether he was on the phone with anyone at the time. Mr C answered no to these questions. He said the call he'd been on when making one of the payments was unrelated. And that he appreciated the purpose of Starling's calls was to check everything was genuine. But he'd made payments to crypto exchanges before he banked with Starling; he, and only he, had access to his crypto account; he was making the payments off his own back; and he also had other investments.

I've thought about this carefully because it doesn't automatically follow that just because Mr C wasn't upfront with Starling during Starling's intervention calls, that he wouldn't have been if Revolut had intervened to a more appropriate level in his payments from his Revolut account. The payments from his Revolut account were, after all, for larger amounts, a greater number, and more frequent. But where I can't be sure about something, I need to make up my mind based on the balance of probabilities – in other words, based on what I think most likely would have happened, taking into account all the information and evidence.

In this case, I haven't seen anything that sufficiently persuades me Mr C would have interacted fundamentally any differently with Revolut if it had intervened further. And this means, I think Revolut would most likely have been sufficiently reassured that Mr C seemed to know what he was doing and that Mr C wanted to proceed with the payments. So I'm satisfied an appropriate level of intervention from Revolut most likely wouldn't have made a difference here – I think Mr C would most likely have still proceeded with the payments. So I don't think I can fairly say Revolut ought reasonably to have prevented the payments. This means I can't say Revolut unreasonably missed an opportunity to prevent the payments.

## Recovery

After the payments were made, I couldn't reasonably expect Revolut to have done anything further until Mr C notified it he'd been scammed. Then, because these were debit card payments, the only potential avenue for recovery of the payments would have been through the chargeback scheme. However, Mr C made the payments using his Revolut debit card to his own Binance account. This means the merchant here, for chargeback purposes, would be Binance (and not the scammers). Binance legitimately provided the services intended (which was the purchase of cryptocurrency and then moving it on as per Mr C's choosing). The subsequent transfer of the cryptocurrency onto the scammers would not give rise to a valid chargeback claim through Revolut. So I don't think these payments were recoverable through Revolut once they had been made. So I'm satisfied I can't reasonably hold Revolut responsible for Mr C being unable to recover his funds.

I realise this means Mr C is out of pocket. And I'm sorry if he's lost money. But I can't reasonably ask Revolut to reimburse him in circumstances where I don't think it ought reasonably to have prevented the payments or been able to recover them.

### **My final decision**

For the reasons explained, I don't 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 6 February 2024.

Neil Bridge  
**Ombudsman**