

The complaint

Mr D is unhappy that Revolut Ltd has decided not to refund him after he says he was the victim of an authorised push payment (APP) scam.

What happened

Mr D says he was tricked into investing money which later turned out to be a scam. The details of events surrounding this were set out in the investigators view and do not appear to be in dispute, so I won't repeat them here. Ultimately Mr D's complaint is that Revolut ought to have been concerned about the payment from his account and if it had been and had intervened the scam could have been exposed and Mr D's losses prevented.

Mr D made a one-off payment from his Revolut account for approximately £4,300. Mr D's account had been opened approximately two years previously and had been used for small transaction amounts in the first few months of opening. At the time of the above payment the account hadn't been used for over a year and a half.

Mr D reported the payment as a scam almost a month after he'd made it. Revolut contacted the beneficiary bank the day after Mr D reported the events. But Revolut's recovery attempts weren't successful.

Revolut looked into Mr D's claim. It said it asked him to confirm whether he trusted the beneficiary, and at the same time informed him that he could potentially be a victim of fraud and ultimately be deprived of his funds. It says Mr D agreed that he trusted the beneficiary and continued with the payment. Revolut went on to say that sometimes when a new beneficiary is added, its systems mark the payment as high-risk and the transfer is placed in a pending state, for further investigation. A warning about a possible scam is then given and a questionnaire about the purpose of the payment is presented. At which point Mr D could have sought advice from an agent, cancel the payment or continue with the payment. Revolut's records show that Mr D opted to continue with the payment.

When asked about the purpose of the payment Mr D selected "something else". And he was presented with a warning. Revolut said had Mr D selected the payment purpose as "investment" he would have been provided with a more relevant warning. It also said Mr D didn't complete his due diligence before sending the payment and the offer of returns was too good to be true.

One of our investigators looked into things. They said Revolut provided warnings at the time Mr D completed the payment and he confirmed he was happy to continue with the payment. Mr D didn't talk or interact with anyone at Revolut when making the payment and it didn't miss an opportunity to intervene on the basis the payment didn't seem suspicious or unusual. The investigator thought that Mr D would have proceeded with the payment even with the specific investment scam warning from Revolut. So in any event Revolut wasn't liable for Mr D's losses. The investigator didn't think Revolut was at fault in terms of the recovery of Mr D's funds either. The payment was instant and therefore too late to stop when Mr D reported the matter.

Mr D disagreed with the investigators findings and said he didn't recall any warning. He also said his other account provider had stopped the same payment when he attempted it, but Revolut hadn't, which showed its systems hadn't protected him but ought to have done.

As the matter couldn't be resolved the complaint was passed to me for 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.

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Having carefully considered everything I'm not upholding Mr D's complaint.

In broad terms, the starting position at law is that a bank, payment service provider or electronic money institution 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 I have taken that into account when looking into what is fair and reasonable in this case.

I've considered whether there was anything about the circumstances surrounding the payments that could have put Revolut on notice that they were being made as part of a scam. And I don't think there was.

- Although this wasn't a new account it hadn't been used for some time prior to the transactions in question. But that in and of itself isn't enough to say that any payments then made into or out of the account, should be treated as suspicious.
- The payment, whilst not insignificant, is not what I would consider as unusually high in value.
- The payment seems to have been made to an account in Mr D's name which means it appears as though the funds are remaining within Mr D's control, and therefore presenting a lower risk of financial harm.
- The payment appears to have been made to a foreign crypto currency wallet. But given the value of the payment and the payee name, I don't think the fact the payment is to a foreign crypto currency exchange make the payment remarkable enough for Revolut to have intervened beyond the warnings that it provided.
- In Mr D's correspondence with the investigator, he said he didn't recall the warnings. But in correspondence with the bank, he said when the warnings were presented, the broker he was dealing with, provided explanations for them. So, I'm satisfied that Revolut did present the warnings and Mr D reviewed them before deciding to proceed with the payment. But the main point here being, I'm satisfied the steps taken by Revolut to help prevent Mr D from becoming victim to a scam were proportionate to the information it held at the time - which were the value and destination of the payment itself and the information provided by Mr D when asked what the payment was for.

Whilst both Revolut and the investigator went on to comment on whether Mr D completed enough due diligence on the investment opportunity he'd presented with, that's not a relevant factor here. I first need to consider if the payment was one that Revolut ought to have been concerned with and if it wasn't, I don't need to go on and consider anything else. Here, I've concluded Revolut didn't need to intervene with the payment that Mr D made. And

it follows that I think the questions and warnings that Revolut did go on to provide were therefore proportionate to the level of risk presented by the payment Mr D made. These are the key considerations in this complaint.

In conclusion, I don't think the transaction and account activity were so unusual that Revolut should have been concerned Mr D was at risk of financial harm. So, I don't think Revolut made an error by not intervening when Mr D made the payment.

Mr D didn't contact Revolut until almost a month after he'd made the transaction. At which point Revolut contacted the beneficiary account provider the following day without success. And it appears Mr D was the one who moved the funds on from the beneficiary account, so he would have known that any recovery of funds, at this point wouldn't have been successful. Overall, I'm satisfied that Revolut couldn't have prevented Mr D's losses after he reported the scam either.

Overall, I can't say that Revolut is at fault here. So, I'm not recommending that it refund Mr D's losses.

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 11 February 2024.

Sophia Smith
Ombudsman