

The complaint

Ms S complains that Revolut Ltd (“Revolut”) is refusing to refund her the amount she lost as the result of a scam.

Ms S is being represented by a third party. To keep things simple, I will refer to Ms S 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, Ms S found an advertisement for a business I will call B and Ms S completed a form with her contact information. Shortly afterwards Ms S received a call from B explaining the investment opportunities available.

B convinced Ms S that the investment opportunity was legitimate and walked her through the different processes involved in setting up an account with it using screen sharing software.

Ms S made a number of transactions to B via a crypto currency exchange and via a transfer to a different Revolut account.

However, When Ms S tried to make a withdrawal from her investment, she was asked to make further deposits to cover interest payments and commissions. After some back and forth Ms S realised that she had been scammed.

Our Investigator considered Ms S’s complaint but didn’t think it should be upheld. Ms S 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.

Ms S has accepted she authorised the payments she made to B, so the starting point here is that Ms S 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 been aware of the scam and stepped in to prevent the payments Ms S was making.

Ms S had not used her Revolut account before the scam, so a usual spending pattern had not yet been established by the time she made payments into B. So Revolut didn’t have anything to compare Ms S’s payments to.

The payments were not of such a size that I think they should have prompted an intervention from Revolut also the payments were for the most part spread out. So, I don't think the payments Ms S made would reasonably have triggered Revolut's fraud prevention systems.

I note that the transfer to a different Revolut account did make Revolut issue a fraud warning. However given the size of the payment I do not think that it needed to do more for this transaction. So, I don't think Revolut missed an opportunity to step in and prevent the scam from taking place.

I note Ms S's representatives' arguments that Revolut had in place systems to detect the use of remote access software but there is no indication that Revolut detected that Ms S was using remote access software. So either Ms S was not using remote access software whilst interacting with her Revolut account or Revolut's system did not detect the use of software. Either way though, as Revolut were not obliged to have such a system in place I can't reasonably hold it responsible for such a system not detecting the use of remote access software even if it were being used.

I've thought about whether Revolut could have recovered the funds via other means however, in this complaint Revolut was unable to process a chargeback for the payments Ms S made in relation to this scam. Let me explain why

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.

The service provided by the crypto exchange would have been to convert or facilitate conversion of Ms S's payments into cryptocurrency. Therefore, it provided the service that was requested; that being the purchase of the cryptocurrency. So, I don't think that a chargeback would have been successful in this instance as she received what she paid for.

In relation to the transfer, Revolut did attempt to recover the funds but they had been moved to a different provider and then forwarded on to a crypto exchange before Ms S reported the scam. So, I don't think that the funds could have been recovered via other means.

So overall, whilst I'm sorry to hear of Ms S's loss but taking into consideration the circumstances of the complaint, I can't reasonably ask Revolut to refund her.

My final decision

For the reasons stated, I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms S to accept or reject my decision before 9 January 2024.

Charlie Newton
Ombudsman