

The complaint

Mr W complains that Revolut Ltd (Revolut) is refusing to refund him the amount he lost as the result of a scam.

Mr W was initially being represented by a third party but is now representing himself. To keep things simple, I will refer to Mr W 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, Mr W found an advertisement on Facebook for the investment business Metcore Finance Limited (X). Mr W clicked on the link and was directed to X's website that looked professional and legitimate. After further reading Mr W made an initial small payment from an account he held at another bank.

Mr W then received a call from X who was very professional. X persuaded Mr W the investment opportunity was legitimate and took Mr W's personal information and copies of his identity documents. This process seemed legitimate and something Mr W expected in the circumstances.

Mr W was then introduced to an account manager at X. X explained the investment process and spoke to Mr W on a regular basis, gaining his trust. Mr W started making payments into the investment on X's instruction.

X asked Mr W to open an account with Revolut and also download the screen sharing application AnyDesk.

Mr W's investment seemed to be going well and he attempted to make a withdrawal. Before Mr W could withdraw his funds, he was told he would have to send money to his Revolut account first. Under pressure Mr W loaned money from various sources and complied with X's request.

Mr W tells us that once he moved the funds to his Revolut account X transferred the funds out of his account using AnyDesk without his authority.

Mr W made payments into the scam via several accounts. Below is a list of payments that were made from his newly opened account with Revolut:

Date	Payee	Payment Method	Amount
26 January 2023	Wisenix	Debit Card	€2,269.06
27 January 2023	Wisenix	Debit Card	€2,266.95
7 February 2023	Guardarian.com	Debit Card	€35.00
7 February 2023	Binance	Debit Card	€21,879.00
7 February 2023	Mr W	Transfer	€358.00

Our Investigator didn't think Mr W's complaint should be upheld. Mr W 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 Mr W has fallen victim to a cruel scam. The evidence provided by both Mr W and Revolut sets out what happened. What is in dispute is whether Revolut should refund the money Mr W lost due to the scam.

Recovering the payments Mr W made

Payments were made into the scam via debit card and one payment via the method of transfer. Mr W tells us he didn't authorise the largest payment of \$21,879.00 to be made from his account and that this was made by X using AnyDesk.

Revolut has confirmed that the payment was made via Mr W's device and at the time of the payment the Revolut app would not grant remote access, and all personal details would be blurred. So, while it's clear Mr W was under pressure to make this payment, I think it's most likely he authorised the payment.

When payments are made by card the only recovery option Revolut has is to request a chargeback.

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.

Mr W was dealing with X, which was the business that instigated the scam. But the card payments didn't go to X directly, they were paid to separate cryptocurrency exchanges. This is important because Revolut would only have been able to process chargeback claims against the merchants the payments went to, not another party (such as X).

The service provided by the exchanges would have been to convert or facilitate conversion of Mr W's payments. Therefore, they provided the service that was requested. The fact that the funds were later transferred elsewhere – to the scammer – doesn't give rise to a valid chargeback claim against the merchants Mr W paid.

For the payment made into the scam via transfer, the only option available to Revolut would have been to ask the receiving bank to refund any amount that remained in the payee's account. I can see that Revolut did this, but no funds remained.

With the above in mind, I'm satisfied Revolut had no reasonable options available to it to recover the payments made in relation to the scam.

Should Revolut have reasonably prevented the payments Mr W made?

As I've said above, I think it's likely Mr W authorised the payments that were made from his account with Revolut, albeit on X's instruction. So, the starting point here is that Mr W 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 into question Mr W about the payments he was making. And if it had questioned Mr W, would it have been able to prevent the scam taking place.

Revolut didn't step in when any of the payments were made from Mr W's Revolut account. But even if it had stepped in, I don't think it would have made a difference. The payments sent from Mr W's Revolut account originated from an account in his name at another bank. When Mr W made payments in relation to the scam from his other bank, that bank stepped into question Mr W. I have listened to recordings of these calls.

During these calls Mr W explained payments were in relation to home renovations and he was transferring the funds to his Revolut account to pay for things in another currency. Mr W denied being advised by anyone else to make the payments and said he had not downloaded any screen sharing applications. Mr W also gave the reason for taking a loan with the bank to be home improvements.

Mr W has told us he did intend to do home renovations with the funds but considering the timing of the loan application and that the Revolut account was opened primarily to make payments into the scam, and that the only large payments Mr W from the Revolut account were in relation to the scam, I think the payments were most likely related to the scam.

It's clear from the above calls that Mr W was willing to give dishonest answers to have the payments processed. So, I don't think Mr W would have been any more honest if Revolut had asked him questions about the payments he made from his Revolut account and it's unlikely it would have been able to uncover the scam that was taking place.

As I don't think Revolut missed an opportunity to prevent the scam it is not responsible for Mr W's loss.

My final decision

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 8 March 2024.

Terry Woodham
Ombudsman