

The complaint

Ms T has complained Revolut Ltd won't refund money she lost from her account after being the victim of an investment scam.

What happened

Ms T received an email that she believed came from a company (who I'll call S) she'd invested with previously. They were asking for payment which would allow them to release her investment with them.

On 5 April 2022 Ms T paid £6,537 to S. She later came to believe she'd been the victim of a scam.

Ms T asked Revolut to reimburse her. She felt they should have stopped her from making this payment. Revolut confirmed they had temporarily blocked the payment and only enabled it after Ms T confirming she trusted who she was paying and was buying goods and services.

Ms T brought her complaint to the ombudsman service. Our investigator felt that no further intervention by Revolut would've stopped Ms T from making this payment. He could see that Ms T had received income from her investments during the previous couple of years.

Still dissatisfied, Ms T has asked an ombudsman to consider her complaint.

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.

Having done so, I've reached the same outcome as our investigator. I'll explain why.

I don't dispute Ms T believes she was scammed and may have lost money on top of what she had already invested.

There's no dispute that Ms T made and authorised the payment for £6,537. Ms T believed she was buying the ability to get her full investment back which unfortunately is an argument that fraudsters carrying out a scam would use.

I'm satisfied the transaction was authorised under the Payment Services Regulations 2017.

It's also accepted that Revolut has an obligation to follow Ms T's instruction. So in the first instance Ms T is presumed liable for her loss. But that's not the end of the story.

Taking into account the law, regulator's rules and guidance, relevant codes of practice and what I consider to have been good industry practice at the time, I consider that Revolut should:

- have been monitoring accounts and payments made or received to counter various

risks, including fraud and scams, money laundering, and the financing of terrorism.

- have had systems in place to look out for unusual transactions or other signs that might indicate that its customers were at risk of fraud (amongst other things). This is particularly so given the increase in sophisticated fraud and scams in recent years, which financial institutions are generally more familiar with than the average customer.
- in some circumstances, irrespective of the payment channel used, have taken additional steps or made additional checks before processing a payment, or in some cases declined to make a payment altogether, to help protect its customers from the possibility of financial harm.

I have reviewed what happened to Ms T. I've also considered whether Revolut should have taken additional steps before processing the payment which might have included providing warnings to Ms T.

But in fact the evidence shows they did. Revolut placed a temporary block on the payment. They specifically gave information to Ms T which covered whether she'd been asked to make the payment. She was asked whether she trusted who she was paying, she confirmed she did and then confirmed she believed she was making a payment for goods and services.

Revolut has suggested Ms T lied to them, but I don't believe this is the case. As far as she believed, she was buying an insurance policy to allow her to claim her investment back. So I don't think she misled Revolut by saying she was buying goods or services. I've also seen nothing from Revolut which suggests they'd have treated the payment any differently if they had known it was for investment purposes.

The key is that I believe Revolut provided an appropriate warning, and I wouldn't have expected them to take further action to block the payment.

I've also considered whether Revolut did enough after it was notified about the scam.

By the time Revolut was informed that Ms T felt she was a victim of a scam, a considerable time had passed. So I'd not have expected them to have been able to obtain any of Ms T's funds. Nor did they.

Overall I believe Revolut took sufficient steps to protect Ms T and I won't be asking them to do anything further.

My final decision

For the reasons given, my final decision is not to uphold Ms T's complaint against Revolut Ltd.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms T to accept or reject my decision before 26 December 2023.

Sandra Quinn
Ombudsman