

## The complaint

Mr D complains that Revolut Ltd won't refund money he lost when he was a victim of a scam.

## What happened

The background to this complaint is well known to both parties and so I'll only refer to some key events here.

In July 2023 Mr D received a telephone call from scammers impersonating a legitimate crypto firm. The scammers convinced Mr D that if he were to pay a withdrawal fee of £7,000, he would receive over £90,000. To do this Mr D was instructed to set up a Revolut account, a crypto wallet and also downloaded remote desktop software to allow the scammers to assist him.

Two payments were made from Mr D's Revolut account to a legitimate crypto exchange before being forwarded on to the scammers. Mr D says it was the scammers that made these payments, not him, as they had access to his Revolut card details by using the remote desktop software. The relevant payments are:

Date	Type	Amount
24 July 2023	Debit card transaction	£2,505.72
24 July 2023	Debit card transaction	£875.66
	<b>Total</b>	<b>£3,381.38</b>

Mr D has explained that he became concerned about the opportunity as, after he'd made the above payments, the scammers called him frequently and applied pressure for him to deposit more. And so, Mr D carried out an internet search and spoke to a few people about it – which led to him realising he'd been scammed.

Mr D contacted Revolut about the scam payments but they explained a refund wasn't possible. They said Mr D authenticated the payments via 3D Secure (3DS), which required him to confirm the transactions on the Revolut app. And so, a chargeback claim couldn't be pursued.

Unhappy with this, Mr D referred his complaint to the Financial Ombudsman. Our Investigator didn't however think Revolut had to do anything further. She considered Mr D authorised the payments as, even though the scammers may have processed them by using the remote desktop software, Mr D was aware the funds were leaving his account and allowed it to be sent. She also didn't think the payments were unusual or suspicious enough whereby she would've expected Revolut to have identified them as being made in relation to a scam. Nor did she think Revolut acted unfairly by not raising a chargeback claim for the disputed payments.

Mr D requested his complaint be reviewed by an Ombudsman, and so it 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.

I'm sorry Mr D has been the victim of a scam and I don't underestimate the impact this has had on him. But I must consider whether Revolut is responsible for the loss he has suffered. And while I realise this isn't the outcome Mr D is hoping for, for similar reasons as our Investigator, I don't think they are. I therefore don't think Revolut has acted unfairly by not refunding the payments. I'll explain why.

In broad terms, the starting position in law is that an electronic money institution (EMI) is expected to process payments that their customer authorises them to make. Here, Mr D says he didn't make the payments himself but it was the scammers that processed them on his computer by using remote desktop software. Revolut has however explained that the payments were authorised by 3DS and this required Mr D to confirm the transactions on their app – which they sent push notifications to. I've also considered that Mr D was aware of the payments being made by the scammer at the time, as he allowed them to do so. Because of this, I'm satisfied Mr D authorised the payments. And, under the Payment Services Regulations 2017 and the terms of his account, Revolut are expected to process the payments and Mr D is presumed liable for the loss in the first instance.

However, taking into account the regulatory rules and guidance, relevant codes of practice and good industry practice, there are circumstances where it might be appropriate for Revolut to take additional steps or make additional checks before processing a payment to help protect customers from the possibility of financial harm from fraud.

So, the starting point here is whether the instructions given by Mr D to Revolut (either individually or collectively) were unusual enough to have expected additional checks being carried out before the payments were processed.

The Revolut account was newly opened and so there wasn't any historical spending to have allowed Revolut to assess whether the scam payment transactions were unusual or out of character for Mr D. I've therefore thought about whether the payments themselves, without any typical account usage available, were suspicious enough to have prompted Revolut to consider Mr D was at risk of financial harm from fraud.

The payments were made to a legitimate crypto exchange. And while there are known fraud risks associated with crypto, as scams like this have unfortunately become more prevalent, many of Revolut's customers use their services to legitimately invest in crypto - particularly as many high street banks have applied limits or restrictions. Because of this, and as I don't think the payments were of a significant enough value, either individually or collectively, I don't think there would've been enough reason for Revolut to have concerns. I therefore think it was reasonable for Revolut to assume the payments were being made for legitimate crypto purposes. And so, it follows that I wouldn't have expected Revolut to have taken additional steps or carried out additional checks before processing the payments.

I've considered whether, on being alerted to the scam, Revolut could reasonably have done anything to recover Mr D's losses, but I don't think they could. The only possible option for recovery here, given the payments were made by debit card, would have been via a chargeback claim. But given these payments were for the purchasing of crypto with a legitimate firm, I don't think a chargeback claim would have been successful as Mr D received the service he paid for. As such, I think it was reasonable for Revolut not have raised a chargeback claim here.

I have a great deal of sympathy for Mr D and the loss he's suffered. But it would only be fair for me to direct Revolut to refund his loss if I thought Revolut was responsible – and I'm not persuaded that this was the case. For the above reasons, I think Revolut has acted fairly and so I'm not going to tell them to do anything further.

### **My final decision**

My final decision is that I do not 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 29 December 2023.

Daniel O'Dell  
**Ombudsman**