

The complaint

Mr J complains that Revolut Ltd (“Revolut”) won’t refund over £1,600 his sister lost to an employment scam in July 2023.

The details of this complaint are well known to both parties, so I won’t repeat everything again here. Instead, I will focus on giving the reasons for my 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.

Having done so, I agree with the conclusions reached by the investigator for the following reasons:

- It isn’t in dispute that Mr J authorised the disputed payments made to Binance from his Revolut account (where the funds were subsequently transferred on to the scammer). The debit card payments were made by his sister with Mr J’s consent, so I’m satisfied they can be considered as having been ‘authorised’ by him under the Payment Service Regulations 2017. The payments were requested using Mr J’s legitimate security credentials provided by Revolut, and the starting position is that firms ought to follow the instructions given by their customers in order for legitimate payments to be made as instructed.
- However, I’ve considered whether Revolut should have done more to prevent Mr J and his sister from falling victim to the scam, as there are some situations in which a firm should reasonably have had a closer look at the circumstances surrounding a particular transfer. For example, if it was particularly suspicious or out of character.
- I appreciate that over £1,600 has been lost to the scam from Mr J’s account. But this amount wasn’t paid in one large or ‘out of character’ transaction. It was spread over six smaller payments, which, in my judgment, would not have appeared particularly unusual or suspicious. First, there was very little by way of account history for Revolut to compare the payments against to determine if they were out of character. Secondly, I don’t think there was anything about the value or frequency of the payments, for example, that would have indicated an increased risk of a scam. The reason Mr J gave for originally opening the account was also specified as “Cashback” and “Transfers”, which wouldn’t have appeared inconsistent with the payments being made from the account either.
- I appreciate there were three payments made on 24 July 2023, followed by a further three payments made on 25 July 2023. And I acknowledge that multiple payments being made in quick succession can sometimes be indicative of fraud in certain circumstances. However, in this instance, the most that was paid out in any one day was for just over £1,200, which I’m not persuaded would’ve indicated a heightened risk of financial harm. So, I’m not persuaded there was anything that ought reasonably to have triggered Revolut’s fraud monitoring systems in these circumstances. I therefore don’t consider it can fairly be held responsible for failing to prevent the scam.

- I also don't think there was anything more Revolut could've done to recover the money Mr J lost. A chargeback claim would've had little prospect of succeeding, for example, given Mr J would've received the asset his card had been used to purchase (i.e. the cryptocurrency). So, I don't consider Revolut acted unreasonably by failing to pursue a chargeback claim any further after they rejected it.

I appreciate this will likely come as a disappointment to Mr J, and I'm sorry to hear he has been the victim of a cruel scam. However, I'm not persuaded Revolut can fairly or reasonably be held responsible for his loss in these circumstances.

My final decision

For the reasons given above, I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr J to accept or reject my decision before 14 May 2024.

Jack Ferris
Ombudsman