

The complaint

Ms M is unhappy that Revolut Ltd won't refund money she lost to a scam.

What happened

Some years ago, Ms M had a gambling problem. She says it started due to an abusive relationship she was in as she was trying to win money to run away. She sought help from a counselling service and managed to leave her relationship. However, after selling her home, moving in with her parents, dealing with covid-19, one of her parent's becoming unwell and having to leave her job, her mental health suffered and she started gambling again.

Ms M used her Revolut debit card to make a series of deposits with an online casino over nine months (from February 2022 to November 2022) totalling just under £417,000. That casino wasn't licensed in the UK. Towards the end of February 2022, Ms M asked the online casino to close her account but it enticed her with adding bonuses to her account so she could continue to gamble. Ms M eventually reported the casino to The UK's Gambling Commission and she was told by them that the casino was operating illegally and they couldn't help.

Ms M asked Revolut to help her recover her payments via the chargeback scheme and she complained that it didn't do enough to protect her from financial harm.

Revolut declined to refund Ms M's transactions. It said her payments from February 2022 to July 2022 were out of time to be disputed in accordance with the chargeback rules. And for the payments taken after July 2022, it didn't find any valid chargeback grounds. It added that it offers some gambling protections to its customers in the form of a 'Gambling Block' which would block payments to gambling houses or merchants from being completed.

Unhappy with its response, Ms M referred her complaint to this service.

One of our Investigators looked into things. He didn't think a more meaningful intervention from Revolut would have likely made a difference to Ms M's loss. Ms M didn't agree and asked for an Ombudsman to review her complaint. In summary she said:

- Revolut should have recognised she was vulnerable in accordance with the FCA's guidance as she told them she'd lost her job.
- Revolut made it extremely difficult for her to process chargeback claims and suggested she make 350 individual chargebacks and didn't request additional evidence to support her claim.
- It was unfair for our Investigator to conclude she'd have gambled elsewhere if Revolut had stepped in and there is no evidence to support this.
- If Revolut had stepped in sooner, it may have been able to process chargeback claims in time.
- She started gambling with 'genuine' sites when a pattern had already been made.
- Revolut offers an online chat tool only. If she'd have spoken to a real person, they would have identified her panicked state.

- Revolut asked her to provide her source of funds for £460,000 and said her account would be restricted unless she could provide this evidence, she didn't but it opened her account back up anyway.

On 23 November 2023, I issued a provisional decision upholding this complaint in part. For completeness, I repeat my provisional findings below:

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Whilst I may not comment on every piece of evidence submitted, I ensure both sides, I've reviewed all submissions and evidence provided before making my decision.

I'm sorry to learn about what's happened to Ms M and the impact this ordeal has had on her. I've noted Ms M's comments on her vulnerability but I don't think I can reasonably say Revolut ought to have known just how difficult Ms M's personal circumstances were at the time she started paying the casino. My view on this changes based on information Ms M disclosed to Revolut during the course of her disputed payments and the unusual account activity, which I'll explain further in my decision.

It is common ground that the disputed payments were 'authorised' by Ms M for the purposes of the Payment Services Regulations 2017 ('the Regulations'), in force at the time. This is because they were made by Ms M using the legitimate security credentials provided to her by Revolut. These must be regarded as 'authorised payments' even though Ms M was the victim of a scam. So, although she did not intend the money to go to scammers, under the Regulations, and under the terms and conditions of her account, Ms M is presumed liable for the loss in the first instance.

However, taking into account the law, regulatory rules and guidance, relevant codes of practice and what I consider to have been good industry practice at the time, I consider Revolut should fairly and reasonably:

- *Have been monitoring accounts—and any payments made or received—to counter various risks, including anti-money-laundering, countering the financing of terrorism, and preventing fraud and scams;*
- *Have had systems in place to look out for unusual transactions or other signs that might indicate 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 payment service providers are generally more familiar with than the average customer; and*
- *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 customers from the possibility of financial harm from fraud.*

I've first considered whether or not I think the casino is a scam. It's clearly unlicensed and, I understand, shouldn't be offering its services to customers in the UK. I also note that other users have reported being unable to withdraw funds and have alleged that they were scammed. I've further noted Ms M's reported practices of the casino's persistent contact and refusal to allow her to close her account. Finally, I've taken into account the comments from the Gambling Commission which reports the casino's illegal activity and references action fraud. Taking all of this into account, on balance, I think it's most likely that the casino is a scam, despite the fact it appears to still be in operation.

Having reviewed Ms M's Revolut statements, the transactions appear, unsurprisingly, to be consistent with gambling. In my judgement, the payments were very frequent and amounted to a significant sum over many months. I think quite early on (on 11 February 2022 where five payments totalling just over £18,000 were debited from Ms M's account), the frequency and rapidity of the payments ought to have prompted Revolut to make enquiries of Ms M. But, had it done that, I'm not persuaded her loss would have been prevented at this stage. I don't necessarily think that Revolut would reasonably have been able to identify the casino was operating fraudulently had it intervened on 11 February 2022. Had it questioned the payments (as I think it should reasonably have), Ms M wouldn't yet have had issues with the casino's persistent contact. I've seen there were negative reviews about the casino online but these reviews were around difficulties with withdrawals (not a problem Ms M had experienced). So there doesn't appear to have been much in the public domain to suggest the casino was operating fraudulently.

It's also important to note that, in my experience, scams involving fraudulent casinos aren't a common type of scam that firms should be all that familiar with. That's likely to be because there are huge numbers of legitimate casinos online, correctly licensed in the UK, many of which are household names, which offer the same service (or very similar services) without the risk of fraud.

So, I wouldn't necessarily expect Revolut to be aware of this specific risk. It would have (for the majority of the transactions) simply seen payments going to various payment processors. And it doesn't appear that Ms M had asked Revolut to apply any gambling blocks to her account.

I wouldn't have expected Revolut's initial enquiries to go beyond establishing the nature of the payments and that Ms M was willingly making them. It should reasonably have also given a warning broadly covering various scam risks. But, given the unusual nature of this scam, I can't see that any of those enquiries would have made a difference to Ms M's decision to go ahead. I don't think Revolut reasonably ought to have uncovered that the casino was operating without a license.

In March 2022, Revolut intervened as it had further queries around the source of Ms M's funds. I think these checks were proportionate to the risks identified by Revolut at the time. I don't think it should have had concerns that Ms M was a money laundering risk after she provided further information. I also don't think there were grounds to suspect Ms M could be falling victim to a fraud or scam. However, I have noted that Ms M disclosed she received her last payslip from her employer as she had left her employment. Ms M also disclosed she was paying an online casino, which are important factors I'll come back to later.

While the merchants may have changed in the coming months, the pattern of activity was broadly the same, though the number of different merchants being paid was increasing. By 4 May 2022, I think Revolut should have reasonably suspected very unusual account activity on Ms M's account. I've noted Ms M made 21 payments (of broadly similar amounts) to 21 new payees totalling £23,255.72. I think it would have been reasonable for Revolut to have intervened as I think the pattern of the transactions were very unusual for Ms M considering her activity up until that point. These were the most new payees she'd paid in a single day and also the largest sum she'd paid in a single day.

I don't think Revolut needed to interrogate Ms M but I think it could have asked some relatively probing but simple questions about what Ms M was doing. But this was against the backdrop of Revolut being aware - based on its previous conversations with Ms M - that she had left her employment and had discussed paying an online casino. I've also noted that in August 2022, Revolut queried transactions with Ms M which it said was a 'routine check'. Ms M explained they were payments to a casino and she didn't have access to her account with

the casino due to not winning and spending too much money. She said she asked to self-exclude so she can no longer access it. Therefore, I think if Revolut had intervened as I reasonably think it should have in May 2022, Revolut could have reasonably identified that none of the payments were actually going towards a gambling merchant, this should have been a red flag. I think a reasonable next question would have been to ask Ms M the name of the gambling merchant. By 4 May 2022, there were multiple scam reviews about the casino.

I therefore think Revolut could have reasonably explained to Ms M that the transactions weren't 'coded' as gambling transactions. I think this would have been a concern to Revolut given the stringent expectations the card schemes place on merchant acquirers providing the facilities for merchants conducting high risk gambling services. As a card issuer itself and a financial professional, I think it ought to have reasonably been aware of this. And so, a merchant avoiding being coded correctly by using various overseas payment processors that don't provide gambling services should have been unusual and, in my judgement, suspicious. I think Revolut could have also explained that there were many online reviews that indicated the casino was operating a scam.

I think the conversation that followed would have been similar to Ms M's conversation with Revolut in August 2022. In other words, I think Ms M would have likely explained that she was trying to self-exclude from the casino as she'd spent too much money (that's because Ms M had tried to close her account with the casino multiple times from towards the end of February 2022).

I've noted Revolut's comments that when it intervened in Ms M's transactions she expressed her intention to move her funds away from its platform due to the source of funds restrictions. It pointed to her comment that said: 'If you won't accept that and I can't use my account then just close it and I'll use my normal bank account going forwards'. Revolut suggests that she had no intention of discontinuing her behaviour or explaining the scenario to Revolut if it did intervene. I don't agree. In the messages that followed the one I've just quoted, Ms M did answer Revolut's questions by providing her payslip and explained she was playing online bingo. In my judgement, whilst Ms M has been frustrated and panicked at times when Revolut restricted her account – I think her frustration was understandable as Revolut didn't provide clear reasoning when it decided to restrict her account. Ms M has been honest in her interactions with Revolut and I don't think she'd have evaded questions from it.

So, I think, if Revolut had asked simple questions on 4 May 2022, Ms M would have likely answered them honestly. If Revolut had noticed (as I think it should have reasonably noticed) the reviews about the casino and the fact that the transactions weren't processed as gambling transactions, it would have had reasonable grounds to suspect that Ms M could be falling victim to a scam. I think if Revolut had expressed its concerns, armed with this new knowledge, Ms M would have likely explained that she had asked the casino to close her account but they wouldn't allow her to. With further reasonable questions, I think Ms M would have probably disclosed that she had a gambling problem. At which point, I think Revolut should have been able to review what it already knew about Ms M – that she'd recently left her employment, that the transactions matched that of compulsive gambling spend and that she was likely dealing with a scammer who wouldn't leave her alone. Piecing all of this together should have led Revolut to suspect that Ms M was vulnerable in accordance with the FCA's 2021 guidance on vulnerability. I recognise that Revolut has pointed to Ms M thankfully not being without employment for very long as she appeared to have found a new job shortly after leaving her previous one. But that doesn't change what I think Revolut should have reasonably suspected with the information it was already aware of, albeit I think it could have obtained some of this information sooner.

At this stage, I think Revolut would have reasonably offered to place gambling blocks on Ms M's account. This is a service Revolut offered in its final response letter and I see no reason why it wouldn't have offered this service at the point of an intervention. With that being said, as none of the payments were coded as gambling transactions – something required for the gambling block to work - and there were multiple merchants, I don't think the gambling block would have been able to prevent Ms M sending payments to the casino. I think Revolut would have reasonably been aware of this so I think it could have sign posted Ms M to the Gambling Commission for further advice (as the expert).

I think Ms M would have likely reached out to the Gambling Commission for help as I've seen evidence that she contacted them to complain about the practices of the casino. The Gambling Commission advised Ms M on 19 October 2022 that the casino was operating without a license and they couldn't assist her. Ms M followed up with the Gambling Commission and I've seen that Ms M continued to pay the casino a further nine payments totalling £2,904.73 from 29 October 2022 to 2 November 2022. I queried why Ms M continued to pay the casino after she was told they were operating without a license, she advised she didn't know they were a scam, she just thought they didn't have a license. She said it wasn't until the Gambling Commission issued its final response at the end of October 2022. She said they pointed her to the direction of action fraud which made her realise it was a scam and not just an unlicensed company.

I've seen that Ms M received a response from the Gambling Commission on 28 October 2022 where they apologised for causing her confusion in their earlier email. They referred Ms M to her bank and action fraud for further assistance. I've seen that Ms M acknowledged this email on 3 November 2022 and sent follow up questions. I've noted Ms M didn't send any further payments after 2 November 2022, so I'm persuaded that the Gambling Commission helped her realise she'd fallen victim to a scam in the way she describes. And when she realised she'd fallen victim to a scam, she stopped sending payments to the casino.

I think Revolut could have reasonably assisted Ms M in coming to this conclusion sooner if it had asked simple questions about Ms M's account activity in May 2022. In my judgement, this was a missed opportunity to meaningfully intervene. I think if Ms M had realised she'd fallen victim to a scam (which I think would have been more likely than not with Revolut's assistance), she wouldn't have sent any more money. Therefore, I think Revolut could have prevented some of her loss and missed opportunities to do so in its interactions with Ms M. To be specific, I think it would have been reasonable for Revolut to have intervened around the 15th payment on 4 May 2022 of £1,050.40. I think this payment is the most reasonable for an intervention on Revolut's part as Ms M had paid 12 new payees on 26th April 2022 (though the sums were not the most Ms M had paid in a single day). This means I think Revolut could have reasonably prevented approximately £330,897 being lost to a scam. I've noted there were other gambling transactions to legitimate websites during Ms M's payments to the scam casino. But I've also noted that Ms M says she self-excluded from these websites and the sums she paid them in comparison to the scam casino were significantly less. I don't think I can reasonably say she would have otherwise lost all of this money to gambling. That's because legitimate gambling websites are obliged to follow their customers instructions when they tell them they want to stop. The very objective of any scam is to get as much money as possible from their victims and I think dealing with a scam was the primary cause of her paying such substantial sums.

Contributory negligence

Despite regulatory safeguards, there is a general principle that consumers must still take responsibility for their decisions (see s.1C(d) of our enabling statute, the Financial Services and Markets Act 2000).

I understand that all of this happened when Ms M was in a very difficult space mentally and this was on the back of compulsive behaviour. But it wouldn't be reasonable for me to hold Revolut completely responsible for her losses. From Ms M's testimony and her interactions with Revolut over the course of her payments to the casino, it's clear she's familiar with the high risks associated with her account activity and was aware she was losing substantial amounts of money. I also think it's likely she'd have used some (not all) of this money for legitimate gambling spend. I therefore think it would be fair and reasonable for the bank to pay 50% of the loss from the point I've recognised it could have made a difference.

Finally, I think Revolut should pay £250 for how it handled Ms M's initial chargeback request. I think it was impractical to suggest she log over 300 individual claims given that she was in a very vulnerable state. And declining Ms M's chargeback claims initially on the basis that she authorised the payments wasn't the correct advice. As the chargeback experts, I think it could have assessed quite quickly whether Ms M had any grounds in raising chargeback claims that would have indicated whether individual chargeback requests were necessary. I think it could have asked for specific evidence – including whether Ms M had any available balances in her casino account that she was unable to withdraw. As withdrawals weren't Ms M's concern, I don't think she'd have been able to produce this evidence. And as such, I think Revolut could have reasonably explained that it had no reasonable prospect of success in processing chargeback claims. I think this clearly had an impact on Ms M's mental health which I think was avoidable under the circumstances. Though, I have factored in that most of Ms M's distress would have been caused by the cruel scammers.

I recognise Ms M feels Revolut could have processed chargeback claims under 'reason code 12.7' on the basis that the casino wasn't coded correctly, and it could have done this had it intervened sooner. I don't think this was an option for Ms M. Even if the casino had been correctly coded, Revolut doesn't block gambling transactions altogether, so it's likely it would have processed these in any event – as such – this chargeback option wouldn't have been available for Ms M. The only other applicable chargeback code surrounds difficulties with withdrawals which required very specific evidence and as I've explained, I don't think Ms M had this evidence.

Responses to my provisional decision

Revolut replied to my provisional decision, it didn't agree. It said in summary:

- This case differs significantly from more common scams such as investment fraud.
- Gambling payments, by their nature, do carry an inherent promise of recouping invested funds.
- Even in a scenario where the payments were made to a legitimate gambling site, the prospect of recovering funds through winnings or withdrawals is not guaranteed and this fundamental distinction has not been adequately addressed in our investigation.
- Ms M acknowledges having willingly participated in gambling activities, and in the event of a legitimate website, she would have still lost the funds. This is crucial.
- It's neither fair nor reasonable to regard Revolut's services as a form of insurance for gambling decisions made by customers. Its responsibility does not extend to acting as an insurance policy against outcomes resulting from personal choices.
- It's not Revolut's responsibility to tell an account holder what they can and can't spend money on, or to monitor transactions and make unsolicited recommendations about how money is being spent.

Ms M responded to my provisional decision. In summary she said:

- By the time Revolut asked for her source of funds, she'd already sent a substantial sum of money. It should have intervened sooner based on the unusual spend to multiple new payees.
- Revolut are a multi-million-pound enterprise and the expert, and she is a lay person, she doesn't think 50% is a fair split.
- The Mental Capacity Act 2005 provides detailed information in relation to individuals who lack the ability to make informed decisions due to an impairment of the brain. Ms M feels she lacked capacity in accordance with the act. As the scam went on, her mental state became increasingly worse. No gambling activity was present prior to the scam and no other gambling firms were being used until later in May of the same year. It is reasonable to conclude that Ms M's addiction was of a direct result of the scam.
- The FCA expects firms it regulates to understand the scale and characteristics of vulnerability that exist in their target market and customer base. And understand the impact of vulnerability on the needs of consumers in their target market and customer base, by asking themselves what types of harm or disadvantage their customers may be vulnerable to, and how this might affect the consumer experience and outcomes.
- Gambling-related vulnerability can affect people's engagement with financial services, adversely impact decision-making and lead to poor outcomes.
- She feels the negligence referred to has already been accounted for in the losses to the scam from February to May, which in the decision amounts to £78,070.24. She thinks Revolut could have reasonably identified the scam. But a loss of £248,019.22 as a result of Revolut not stepping in is a devastating amount. This could have been prevented much earlier resulting in no further losses but for the failure of Revolut.
- The impact of this has been so significant that she'll continue to suffer for it in years to come due to the impact this has had on her finances and personal circumstances.
- She found it deeply upsetting that Revolut said she wasn't out of work for long. Revolut have no idea what has happened to her career and her ability to work. She feels it was trying to damn her character. The role she was appointed in was a temporary one with much less seniority. She was put on garden leave not long after starting. She's been fortunate to build some good contacts in her career who have supported her in trying to get back into work. But she's spent most of her time sick and obsessing over this case.
- She was in an abusive relationship for a very long time. This was debilitating for her and she would have been grateful for any assistance Revolut could offer.
- She appreciates that I said this could have been stopped as it's given her some peace. But she'd like me to review the information she's provided in respect of the loss she should bear having already lost so much.

Ms M also provided a link to a journal article discussing gambling disorders, financial loss – specifically pointing to the article's consideration on contributory negligence. Ms M also provided a House of Commons briefing paper from May 2021 titled Consumer Protections: online scams. It discusses vulnerable consumers not being expected to exercise the customer standard of caution.

Neither party has commented on my award for trouble and upset based on Ms M's experience in raising her chargeback claims with Revolut. I therefore won't make any further finding on this point.

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 uphold this complaint in part. I'll explain why I'm satisfied the conclusions I reached in my provisional decision (which forms part of this final decision) are still fair. Whilst I may not comment on every piece of evidence submitted, I ensure both sides, I've reviewed all submissions and evidence provided before making my decision.

In my provisional findings I concluded - based on the credible evidence I've seen - that the casino Ms M was dealing with was a scam, not a legitimate gambling website. My conclusions focus on whether I think Revolut could have prevented Ms M losing money to a scam, rather than whether it could have prevented her from losing money to a legitimate gambling website. So although I appreciate its comments around legitimate gambling institutions and prospects of winning/recovery, my findings focus on Ms M's dealings with a scam.

Although Ms M explains that the casino created her gambling problem, I don't agree. Ms M explained that she used to have a gambling addiction and her personal circumstances led her to gamble again. I don't think the casino created Ms M's gambling addiction, but I do think the operation of the scam made it almost impossible for her to stop. I think it would have taken an intervening act and I think that reasonably should have been Revolut – but not straight away.

I still think Revolut should have intervened quite early on – specifically on 11 February 2022 – when Ms M made five payments totalling £18,000. So, I agree with Ms M's comments that Revolut should have intervened sooner than it did. But as I explained in my provisional decision, I don't think an intervention from Revolut (at this stage) would have likely made a difference to her decision to continue dealing with the casino. Had it questioned the payments (as I think it should reasonably have), Ms M wouldn't yet have had issues with the casino's persistent contact. I've seen there were negative reviews about the casino online but these reviews were around difficulties with withdrawals (not a problem Ms M had experienced). So there doesn't appear to have been much in the public domain to suggest the casino was operating fraudulently.

At the point of 11 February 2022, Ms M was sending her payments to one payee and even if they weren't coded as a gambling merchant, I don't think Revolut would reasonably have suspected that Ms M was paying a scam merchant. In my experience, scams involving fraudulent casinos aren't a common type of scam that firms should be all that familiar with, a point Revolut has made in its response to my provisional decision.

Although Revolut says it doesn't have any responsibility to monitor accounts, I don't think that's a reasonable statement to make in this case because it did intervene on more than one occasion here. And this was based on its transaction monitoring. Because of Ms M's account activity, it questioned the source of her funds and how she was spending her money in March 2022. I maintain my view that the checks it completed were proportionate to the risks it identified at the time. I don't think it was required to do anything differently at this stage based on Ms M's account activity. But from its questioning of Ms M and later interventions, it learned that she'd been made redundant and was paying an online casino.

I appreciate the merchants changed in the coming months and the number of merchants Ms M paid was an increasing picture but the pattern of activity was broadly the same. By 4 May 2022, I think Revolut should have reasonably suspected very unusual account activity on Ms M's account. She made 21 payments (of broadly similar amounts) to 21 new payees totalling £23,255.72. I think it would have been reasonable for Revolut to have intervened as I think the pattern of the transactions were very unusual considering her activity up until that point.

These were the most new payees she'd paid in a single day and also the largest sum she'd paid in a single day.

And even though I've recognised that gambling scams aren't all that common, I think Revolut would have likely uncovered the scam for the reasons I've already explained. If Revolut had queried what Ms M was doing, she'd have likely explained she was using an online casino. I think at this stage, given the number of new overseas payees involved and that none appear to be in the business of providing gambling services (as required by the card schemes), I think Revolut would have reasonably been concerned.

In my judgement, Revolut's intervention would have likely made a difference here because of the information that Revolut was already in receipt of along with the information it could have reasonably gathered about the casino. At this point there were multiple reviews about the casino that indicated they were scammers and I think Revolut could have reasonably explained this to Ms M. I think the scam could have been prevented at this stage. But for Revolut's failure to intervene, I don't think Ms M would have lost anymore money.

I do recognise Ms M's points about the circumstances she was in, along with the information she's pointed me to. And even though I highlighted that Revolut should have suspected that Ms M was vulnerable based on what she was doing and what it knew about her (based on previous conversations). I don't think Revolut would have had any basis to determine she lacked capacity. I've not seen any evidence that Ms M was incapable of making her own financial decisions – even high risk ones. Ms M didn't tell Revolut about her gambling problem in advance, so I don't think Revolut was given the opportunity to protect her sooner, for example by offering the services of gambling blocks (which is something it offered once Ms M informed it about what had happened). And even though Ms M was dealing with a lot of trauma, she understood what she was doing and that she was losing significant money gambling.

By no means do I think Ms M was to blame for falling victim to a scam or for having a gambling addiction but I'm required to decide what is fair and reasonable in all circumstances of this complaint.

I think Revolut could have reasonably prevented a large proportion of Ms M's losses. I think it could have reasonably suspected that Ms M was vulnerable based on what it knew and what it could have reasonably found out. To be clear, I don't think Revolut could have said with absolute certainty that Ms M was being scammed but I think it could have provided meaningful warnings based on the information that would've been reasonably accessible to it as a financial professional. And even though I don't think this is a very common scam, I think Revolut ought to have had enough awareness (as a regulated firm) that the UK's Gambling Commission licenses, regulates and advises individuals and businesses that offer gambling services in the UK. I think it would have been reasonable for Revolut to have sign-posted Ms M to the Gambling Commission based on what she would have likely disclosed about her difficulties with the casino's behaviour. Ms M had been honest with Revolut during her interactions with it, I don't doubt she would have been had it asked some further questions about what she was doing and who she was dealing with. Again, I don't think Revolut needed to explain the operation of this type of scam to Ms M, I just think it needed to identify that Ms M was at risk of financial harm and supported her accordingly. In my judgement, there were enough indicators that Revolut should have identified that Ms M could be at risk of financial harm from fraud.

I don't think taking steps to prevent fraud and scams is the equivalent of Revolut acting as an 'insurance policy' for legitimate spending gone wrong. That's not what happened here. Ms M was scammed and even though I think she'd have likely gambled some (not all) of this money, I think the driving factor of her losing the substantial sums to this casino was that

they were operating a scam and they knew how to prey on their targeted victims. In my judgement, the scam was the primary cause of Ms M deciding to send such significant sums, her addiction was a contributing factor. Ms M did gamble some smaller sums of money but she says she self-excluded from the legitimate gambling sites which is consistent with her statements. The scam casino didn't allow her to self-exclude and it propelled what became compulsive gambling spend.

I have no doubt the concerns I think Revolut should reasonably have expressed to Ms M coupled with the involvement of the Gambling Commission (that Revolut should reasonably have sign-posted Ms M to), would have helped Ms M realise that she was being scammed sooner than she eventually did. I'm satisfied of this because I've seen that Ms M did get in touch with the Gambling Commission who helped her realise she'd been scammed. I therefore think, Revolut could have prevented Ms M losing money to the scam casino from a particular point (4 May 2022).

But I also think it is fair and reasonable for Ms M to share some responsibility for that loss. I think 50% is fair and reasonable under the circumstances.

My final decision

For the reasons set out above, I uphold this complaint in part. Revolut Ltd should refund Ms M all of her stolen payments from the 15th payment on 4 May 2022 – but subject to a 50% deduction for Ms M's shared responsibility.

This leaves a total loss balance of £339,897.96, so 50% of that would amount to an award of **£169,948.98**.

Revolut Ltd should add 8% simple interest, per year, on the above amount, from the dates of the respective payments, to the date of settlement. If Revolut Ltd is required to deduct tax from the interest it should send Ms M a tax deduction certificate so she can claim it back from HMRC if appropriate.

Revolut Ltd should also pay Ms M £250 compensation for the distress and inconvenience caused.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms M to accept or reject my decision before 12 January 2024.

Dolores Njemanze
Ombudsman