

## The complaint

Mr B complains that Revolut Ltd did not refund two transactions he lost to a scam.

## What happened

Both parties are aware of the circumstances surrounding the complaint, so I won't repeat them again in detail here. In summary, Mr B found an organisation online that could help him with Forex trading. He initially deposited funds from a separate account in his name and saw returns on the platform. He was able to withdraw some of the profits but was told he needed to pay fees to withdraw more.

Mr B was told to open an account with Revolut to facilitate the withdrawals. On 23 December 2022 he made a card payment of £4,998 to a cryptocurrency wallet in his name, and on 13 January 2023 he made another card payment for £4,999 for fees. Eventually, when Mr B did not receive any more of his returns, he realised he had been the victim of a scam.

Our Investigator looked into the complaint and did not uphold it. As Mr B disagreed the complaint was passed to me. I issued a provisional decision in which I agreed this case should not be upheld but for different reasons. My provisional decision read as follows:

*In deciding what's fair and reasonable in all the circumstances of a complaint, I'm required to take into account relevant: law and regulations; regulators' rules, guidance and standards; codes of practice; and, where appropriate, what I consider to be good industry practice at the time.*

*Broadly speaking, the starting position in law is that an account provider is expected to process payments and withdrawals that a customer authorises it to make, in accordance with the terms and conditions of the account. And a customer will then be responsible for the transactions that they have authorised.*

*It's not in dispute here that Mr B authorised the payments in question, as he believed they were part of a legitimate investment. So, while I recognise that he didn't intend the money to go to scammers, the starting position in law is that Revolut was obliged to follow Mr B's instruction and process the payments. Because of this, he is not automatically entitled to a refund.*

*The regulatory landscape, along with good industry practice, also sets out a requirement for account providers to protect their customers from fraud and financial harm. And this includes monitoring accounts to look out for activity that might suggest a customer was at risk of financial harm, intervening in unusual or out of character transactions and trying to prevent customers falling victims to scams. So, I've also thought about whether Revolut did enough to try to keep Mr B's account safe.*

*I've looked over Mr B's account statements, to see if the transactions in question were suspicious or unusual. As Mr B opened the account as a result of the scam, there was no genuine account activity to compare the scam payments to. I can see that Mr B selected the account opening reason as 'transfers', and on balance I don't think the payments to*

*cryptocurrency were so far removed from this account opening reason that they ought to have caused suspicion.*

*I do agree that there was no genuine account activity to compare the scam payments to, they weren't of a significantly high value and they were quite spread out over a period of time. Which typically would not make these suspicious enough to have warranted intervention from Revolut. However, I do think that as these payments were going to cryptocurrency, and payments of these nature typically hold a higher risk, it would have been reasonable for Revolut to provide a tailored scam warning relating to cryptocurrency for them. I've gone on to consider whether I think a tailored scam warning would reasonably have made Mr B change his mind about carrying on with the payments.*

*Mr B's representatives have said that he trusted the trader who was assisting him implicitly and that he was very convincing as an account manager. Not only that but they spoke every day and got to know each other, they built a rapport and Mr B trusted that he was a professional who was good at his job. With all of this in mind, considering how convinced Mr B was by the scammer he was dealing with, it is difficult for me to agree that a tailored scam warning with no human intervention would have been enough to break the spell and reveal the scam at that time. Because of this, I don't currently think that Revolut have missed an opportunity to meaningfully reveal the scam and I don't recommend a refund in the circumstances.*

*As the payments were made by debit card, Revolut would only be able to attempt to recover them by chargeback, which is a voluntary scheme run by the card issuers. There were strict time-scales associated with chargebacks which Revolut cannot change, one of which being a 120 day time limit from the date of the transactions to raise a claim. Unfortunately, by the time Mr B made Revolut aware of the scam payments, over 120 days had elapsed. It is also unlikely there would have been a valid chargeback code for the transactions even if the claim had not been brought late. So, I don't think Revolut has made an error when it did not recover the funds in question.*

Revolut did not respond to my initial findings.

Mr B responded rejecting the outcome.

### **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.

As neither party has provided any additional comments or evidence for me to consider, I see no reason to depart from the findings set out in my provisional decision.

So, for the reasons set out above, I do not uphold this complaint and I do not direct Revolut to take any action to remedy it.

### **My final decision**

I do not uphold Mr B's complaint against Revolut Ltd.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 22 May 2024.

Rebecca Norris

**Ombudsman**