

## The complaint

Mr O complains that Revolut Ltd has declined his request for a refund of payments he made as part of a scam.

## What happened

In November 2022 Mr O saw an advert about an investment opportunity – he says he saw positive reviews and so expressed an interest. After he was contacted to discuss this, he was persuaded to use screen sharing software and to create an account with Revolut and a cryptocurrency platform.

Mr O says he was shown profits on his initial investment and so continued to transfer funds to the scammer so she could complete trades on his behalf. Mr O initially invested £100 and received a credit of almost £80 a few days later which increased his confidence in the legitimacy of the company.

In total Mr O transferred £7,650 over four payments in November 2022. When Mr O attempted to withdraw some of his profits he received an email impersonating the cryptocurrency platform requiring him to pay a fee linked to anti-money laundering checks. Mr O realised this was a scam when someone from the company also asked for his bank details.

Mr O reported the scam to Revolut on 26 April 2023. Revolut declined to provide a refund on the basis that a chargeback would not be successful as he had been provided with the service of a money transfer in the circumstances.

When Mr O referred the complaint to our service, the investigator didn't uphold his complaint. In summary they said this was because Mr O had authorised the disputed payments and based on the activity itself they didn't think Revolut needed to have done more to prevent Mr O's loss.

Mr O didn't agree, he said that his first payment had been for a small amount and so the next payment for £3,900 ought to have appeared suspicious as this jump in amount when paying a cryptocurrency platform fits a known pattern of fraud, as does the immediate disbursement of funds credited to the account. Mr O also said he thought he'd selected "spend and save" as the purpose of opening the account which he says is contradictory to how he used the account.

The investigator responded that they didn't think the activity necessarily did contradict this account purpose. And that they didn't think the payment amounts and pace of activity did look suspicious enough at the time to have expected a warning or intervention from Revolut. The investigator added that as the receiving account was in the customer's name, Mr O would be able to access any funds if they had remained and therefore there was nothing more Revolut needed to do to attempt to recover Mr O's funds.

So, the matter has been passed to me for consideration by an ombudsman.

## 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, whilst I do sympathise that Mr O has been the victim of a scam, I'm not upholding this complaint for the following reasons:

- It isn't disputed that Mr O authorised the payments as part of a scam. Broadly speaking, the starting position in law is that a customer is liable for payments they have authorised. And that Revolut's is expected to process payments in a timely manner.
- 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 to help protect its customers from the possibility of financial harm from fraud.
- So, I've thought about whether the activity here was unusual or suspicious enough to conclude that Revolut hasn't done enough to identify that Mr O was potential the victim of fraud.
- As Mr O opened a new account with Revolut, there wasn't any historical activity to compare against in terms of what is normal activity for Mr O. So, I've needed to consider whether the payments themselves, were suspicious enough to conclude that Revolut ought to have identified that Mr O was at risk of financial harm from fraud.
- The payments were made to a legitimate cryptocurrency platform. And while there are fraud risks associated with cryptocurrency, many of Revolut's customers use their services to legitimately invest in cryptocurrency. Revolut therefore must strike a balance between allowing customers to be able to use their account and questioning transactions to confirm they're legitimate. In doing so, what is considered good industry practice will naturally evolve over time. At the time of these payments, I don't think that this factor alone would mean it would be proportionate for Revolut to provide a warning or intervene.
- Rather, I've taken into account a range of factors, including the type of payment, the destination, the amounts involved, the pace of the payments etc. to determine whether I think Revolut has treated Mr O fairly in the circumstances.
- Having done so I note that the payment amounts aren't significantly large enough to have appeared high risk. And they are spread out, with no more than one payment being made on any given day. While Mr O did initially make a smaller payment before further funds were credited to the account, the amounts don't generally increase as time goes on. So, looking at the activity as a whole, I'm not persuaded Revolut has done anything wrong by processing the disputed payments as it did.
- Mr O has said that the intended purpose of the account he selected upon opening the account was to "spend and save daily" and that this contradicts the account usage. Given this is a fairly vague purpose, and Mr O did use the accounts to make payments, I don't think it would be fair to say it obviously contradicts how Mr O used the account. And so, this doesn't change my findings.
- I've also thought about whether there's anything more Revolut ought to have done

once Mr O reported the scam some months later. Mr O received the service of the money transfer and so wouldn't have the basis for a successful chargeback. And as the receiving account was in his control, if any funds had been available to recover, Mr O would have been able to access these.

So, for the reasons explained, I don't think Revolut needs to do any more in the circumstances.

### **My final decision**

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr O to accept or reject my decision before 27 April 2024.

Stephanie Mitchell  
**Ombudsman**