

## **The complaint**

Mr C complains that Revolut Ltd did not refund two payments totalling £14,000 that he lost as part of a scam.

## **What happened**

An acquaintance of Mr C introduced him to a cryptocurrency investment which later turned out to be scam. After speaking with the 'trader', who I will refer to as the scammer, Mr C was advised to download AnyDesk which allowed the scammer to take control of his device. The scammer then opened a Revolut account for Mr C for the purpose of carrying out the trades.

After investing an initial £2,000 on 31 March 2023 via the Revolut account, Mr C received £62.31 in returns, which he felt showed the investment was legitimate. He went on to invest a further £12,000 on 18 April 2023. He then tried to withdraw £10,000 but the scammer gave reasons as to why this needed to be delayed. When they then asked for fees for the withdrawal, Mr C realised he had been the victim of a scam.

Mr C raised a scam claim with Revolut through a representative. Revolut responded and explained that they had provided warnings for both payments, and they had paused the second payment prior to it being processed so they could ask Mr C questions. When they had no concerns about the response, they went on to process the transfer. So they didn't agree to refund the £14,000. Because of this, Mr C referred the complaint to our service.

Our investigator looked into the complaint and felt that what Revolut had done so far was reasonable and they didn't uphold the complaint. In summary, they acknowledged that the scammer made the payments on Revolut on C's behalf, but that as Mr C was aware of this he had otherwise authorised the transactions. When making the payment, the scammer had selected the transfer was for a safe account, so Revolut had asked more detailed questions and given warnings in relation to this issue, which the investigator thought was not unreasonable. And they felt that even if Revolut had realised the payment was for cryptocurrency and not a safe account, any warnings would have been ignored by the scammer and the payment would have gone ahead regardless.

Mr C's representative disagreed with this. They felt that Revolut should be aware that AnyDesk is used in these kinds of scams and could therefore have called Mr C instead of contacting him through the in-app chat.

As an informal agreement could not be reached, the complaint has been passed to me for a final 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.

It's clear that Mr C has been the victim of a scam, and that the scammer's intention was to take his money. It should be noted that these transactions do not fall under the Contingent

Reimbursement Model code, which provides additional protection to victims of these kind of scams. This is because as Revolut has not signed up to this voluntary code. However, Revolut still has a basic duty of care to its customers to protect them from financial harm.

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.

Mr C was aware that the scammer was making the payments via AnyDesk, so gave his authority for them to be made. And this is he believed they were part of a legitimate investment. So, while I recognise that Mr C didn't intend the money to go to scammers, the starting position in law is that Revolut was obliged to follow his instruction and process the payment. Because of this, Mr C 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 C's account safe.

The Revolut account was opened with the intention to invest in cryptocurrency, so there was no genuine account activity for Revolut to compare the scam payments to. Because of this, it is more difficult for them to identify transactions that are out of character or unusual. On balance, I think the first payment of £2,000 was not such an unusual amount that it warranted further intervention by Revolut. The value was not particularly high and as mentioned previously, there was no other activity for Revolut to compare this to. In addition, the reason selected for the account opening was 'transfers' and this payment aligned with that reason.

However, I do think the second payment of £12,000 warranted additional questioning by Revolut. This was significantly higher than the previous payments and was of a relatively high value in itself. I can see that this payment was flagged by Revolut and paused prior to it being processed so they could ask Mr C some questions via the in-app chat. Mr C has confirmed that it was the scammer who answered the questions and saw the warnings.

Revolut asked what the reason for the payment was and 'safe account' was selected. This is a different type of scam so I would have expected them to ask further questions, which they did. They asked if 'AnyDesk' had been downloaded on Mr C's device, which the scammer answered 'no' to. This was false, but Revolut could not reasonably have known this. They were also asked if anyone had pressured him into making the payment or told him his account was at risk, which are questions relating to safe accounts. When the answers to these questions did not raise any further issues, Revolut processed the payment.

On balance, I think Revolut asked appropriate questions based on the information available to them. I note Mr C's representative has said Revolut should have called Mr C as it is known that scammers can use AnyDesk to make payments on a consumer's behalf. However, Revolut is not set up to telephone a consumer every time there is a concern about a payment, and their response to a suspicious transaction has to be proportionate to the risk involved. On balance, the payment of £12,000 was unusual but I don't think it was so concerning that it warranted Revolut going outside their normal protocol of an in-app chat at that stage. So I think Revolut acted appropriately in the circumstances.

Mr C's representative has also said that Revolut should reasonably have researched the

company name that Mr C was paying to realise it was a cryptocurrency exchange. I don't think it was clear from the name of the company that it was cryptocurrency related, and I don't think it would be proportional to expect Revolut to research every payment in more detail. And, on balance, considering it was the scammer who was answering the questions it's likely any cryptocurrency related questions Revolut may have posed would have been easily answered so as not to raise suspicion. I would have then expected Revolut to provide some tailored cryptocurrency related scam warnings which would not have changed the scammers mind about carrying on with the payments.

Having carefully considered everything available to me, I think that Revolut took reasonable steps when it had concerns about the second payment. And I think it was reasonable that they went on to process the payment based on the information they were given. Due to the way the scam worked, it is unlikely any further questions or warning would have made a difference to the payments leaving the account. So, I do not direct Revolut to refund Mr C in this instance.

### **My final decision**

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 8 March 2024.

Rebecca Norris  
**Ombudsman**