

The complaint

Mrs F complains that Revolut Ltd has declined to refund payments that she says she didn't make or allow anyone else to make.

What happened

Mrs F says that she opened a Revolut account in September 2022 with the intention of using it as a savings account. Several payments were made from there to two cryptocurrency platforms totalling over £310,000. Mrs F says she doesn't know how these were made as she didn't share her information with anyone, but she has found a remote access app on her tablet. Mrs F says she involved the police who tried to help her track her funds, but they were gone.

Revolut initially declined Mrs F's claim on the basis that it thought she had failed to keep her secure details safe.

When Mrs F complained to our service she added a professional representative – they have told us that Mrs F can't really remember what happened and that she's vulnerable. Based on the evidence the representative has seen, they think she most likely fell victim to an investment scam.

Revolut has updated its position to accept Mrs F has likely been the victim of an investment scam and that the payments were authorised. It has declined to provide a refund to Mrs F and said the following:

- There are contradictions in Mrs F's account of events. Mrs F didn't open a savings account with it and hasn't responded to its requests for information.
- The payments were made on Mrs F's trusted device; she would have received a warning message about scams.
- It asked Mrs F about the account activity at the time - she showed an awareness of the transactions and referred to one of the cryptocurrency platforms as an account she used for investments. It also verified her identity and obtained evidence of her source of funds.
- The disputed payments went to other accounts in Mrs F's name, and it believes she had control of these.
- It asked Mrs F if she had received any suspicious texts / calls or downloaded remote access tools and she answered no.
- It wouldn't have been possible for a third party with remote access to have replied to the Revolut in-app chat, even if they could have seen some screens on the device.
- Other than Mrs F's age, it had no reason to think she may be vulnerable.

The investigator at our service didn't uphold the complaint.

Revolut accepted the outcome, but Mrs F didn't agree. Her representative emphasised Mrs F's vulnerability and said this scam has affected her memory, financial stability, and health. Given the significant amount of money involved and it being a new account with payments to cryptocurrency platforms, they say Revolut didn't do enough to intervene.

Mrs F's representative also said that she hadn't been dishonest or coached to lie.

The matter was passed to me for consideration by an ombudsman and I issued my provisional decision on 14 February 2024. Here I explained in more detail why I didn't intend on upholding this complaint. In summary I explained why I thought it was more likely than not that the payments were authorised and why I didn't think it was likely that a proportionate intervention from Revolut would have prevented Mrs F's loss.

Revolut didn't add any further information by the deadline provided. But Mrs F and her husband provided some further comments, in summary:

- Mr F had been in contact with the scammer believing her to work for Revolut and this is how they ended up with a remote access app on their device.
- From October 2022 onwards the replies Revolut received were from the scammer or guided by the scammer.
- Revolut should have given a specific warning not a general warning.
- They have lost a significant amount of money after being coerced. Mrs F is now on medication and in counselling.

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 considered the information sent in response to my provisional decision, I'm still not upholding this complaint. While it appears Mr F was also taken in by the scam, this doesn't change the conclusions I've reached about what Mrs F's understanding was at the time.

I've taken at face value that Mrs F genuinely doesn't remember the details of what's happened here. As there is limited evidence available in terms of how the events unfolded, I've needed to make a finding on the balance of probabilities about what I think is more likely than not to have happened.

Is it fair for Revolut to treat the payments as authorised?

Mrs F has maintained that she doesn't think the payments were authorised, she doesn't remember making them or allowing anyone else to make them. Mrs F says she made payments to Revolut to use as a savings account. When her money went out of her account, she thinks she was told by Revolut (or someone impersonating Revolut) that she needed to make further payments to access her money.

Mrs F's representative has provided some limited screenshots of messages with a third party and an email. The email address is consistent with a company that the Financial Conduct Authority has stated is unauthorised and targeting people in the United Kingdom. Mrs F's representatives think that she likely fell victim to an investment scam saying it's familiar with other examples of this occurring after contact with the same company.

On the evidence available I'm persuaded that Mrs F did authorise the disputed payments as part of a scam. This is because:

- While Mrs F had a remote access app on her tablet, Revolut have confirmed that the version of the Revolut app she had installed would not have allowed a third party to remotely make payments or engage in its in-app chats.

- The payments were made using Mrs F's Revolut app on her trusted device. As explained above, this means they must have been made by someone with physical access to her device using her log-in information.
- The first disputed payment of £5,000 was made on 28 September 2022, and when a payment of £20,000 was attempted on 29 September 2022 this was referred for verification. I've reviewed the chat record between Mrs F and Revolut in relation to this. On 3 October, Mrs F verified herself with a live selfie and when asked to review her transaction history said, "*everything is fine, I recognize all of the transactions*".
- Turning to the limited screenshot of messages between Mrs F and the scammer, these also indicate that the third party does not have direct access to her accounts. These say, "*I will need you to be on the line with me... you will access to your account from your side*" and "*I will guide you and you will do everything from your side*". These indicate that Mrs F was being coached on the telephone while carrying out the activity herself.
- There is also a reference in the messages to one of the cryptocurrency platforms which suggests the use of this company wasn't hidden from Mrs F. And the apps for both cryptocurrency platforms were found on her tablet – again suggesting she used these herself or was at least aware of them.
- As part of verifying the source of funds with Revolut, Mrs F references the name of a second cryptocurrency platform on 26 October 2022. She says that it is her "*investment account*".
- Mrs F's representative has said Mrs F's email address with Revolut was changed. However, Revolut has confirmed this hasn't been changed and that Mrs F's email address wasn't used to provide security codes enabling payments. So, while it is possible that this confusion was part of the scam, this doesn't appear to be linked to how the payments were made.
- While Mrs F did receive some funds back from one cryptocurrency platform which were then sent on to another, this doesn't persuade me that Mrs F had no role in making these payments given the above evidence.

So, I think it's more likely than not that Mrs F made the disputed payments herself and was aware of where the funds were going at the time.

Is it fair to require Revolut to provide Mrs F with a refund?

The starting point under the Payment Services Regulations 2017 is that a customer is not entitled to a refund for payments they've authorised. However, there are circumstances where it would have been good practice for a firm like Revolut to have identified the risk of potential fraud and stepped in.

In this case, Revolut did intervene early on. As part of the first payment out of the account Mrs F was given a general fraud warning and asked the payment purpose. Revolut says that it doesn't have a record of her response, so it isn't certain whether or not Mrs F selected a purpose. When a second payment was attempted for £20,000 on 29 September 2022 this was referred for verification. On 3 October 2022, after verifying Mrs F with a dated selfie, Revolut asked her a series of questions before allowing the payment. Here Mrs F confirmed that no one else had access to her account and that she had not downloaded any remote access tools – despite the one on her tablet being specifically asked about.

On 25 October 2022, Revolut contacted Mrs F to verify her source of funds. Revolut asked for documentation and about the relationship and nature of the transactions with one of the cryptocurrency platforms. On 26 October 2022, Mrs F provided the documentation and confirmed the nature is that it was her investment account.

In the circumstances, I think Revolut ought to have done more to intervene given the activity on the account, i.e. a significant amount of money was moved to a newly opened account and sent at pace directly to cryptocurrencies platforms. While this can be legitimate it also fits a known pattern of fraud that firms were familiar with at the time. However, for me to conclude that it would be fair to require Revolut to refund any of the disputed payments, I would also need to find that if Revolut had appropriately intervened, it would have likely prevented Mrs F's loss. As I don't think that's the case, I won't go into detail about when and why Revolut ought reasonably to have intervened further.

Rather I will focus on why I think it's more likely than not that this wouldn't have prevented Mrs F's loss:

- Unfortunately, Mrs F doesn't remember the details of what happened, and what she has told us is inconsistent with the available evidence. So, to determine what I think is most likely to have happened had Revolut appropriately intervened (provided tailored warnings and/or established more fully the purpose of the payments) I've given weight to Mrs F's in-app chats with Revolut and the limited screenshots of Mrs F's messages with scammer referenced above.
- I've explained above why I think it's more likely than not that Mrs F made the payments herself and why I've concluded that she was coached on the phone by the scammer. Mrs F hasn't been able to provide the full messages she had with the scammer to help clarify the extent of the coaching or whether she had any concerns at the time.
- Mrs F gave inaccurate information to Revolut about downloading remote access software and showed an awareness of the payments being made for investment purposes. This indicates that the scammer was able to either persuade or trick Mrs F into answering Revolut's questions inaccurately to undermine its fraud detection procedures.
- Mrs F appears to have seen a general fraud warning, but I don't have evidence of her being shown a more specific tailored warning. However, based on the above, I'm not persuaded Mrs F would've engaged with tailored warnings. Rather I think, on balance, that if Revolut had asked Mrs F more detailed questions, it's likely she would have been coached in how to answer these with the aim (by the scammer) of Revolut not identifying the scam and allowing further payments.
- I've also thought about Mrs F's representatives' comments about her being vulnerable. I recognise that since she fell victim to the scam, Mrs F has been severely affected including in relation to her memory, financial stability, and health. Regarding what this means for whether Revolut ought to have done more in the circumstances to prevent Mrs F's losses, I've needed to consider what vulnerabilities Mrs F had at the time of the disputed payments and what Revolut knew or ought to have known about them. Here, other than Mrs F's age, I haven't seen anything to suggest that Revolut were made aware of any vulnerability factors or ought to have identified them. This is because the responses provided in the in-app chat didn't indicate any confusion / memory problems, health issues or financial hardship. So, I don't think this changes my findings on whether Revolut has treated Mrs F fairly.

For the reasons explained, I don't think would be fair to require Revolut to reimburse Mrs F.

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 Mrs F to accept or reject my decision before 15 April 2024.

Stephanie Mitchell
Ombudsman