

The complaint

Mr W complains about Revolut Ltd.

He says that Revolut didn't do enough to protect him when he became the victim of a scam and would like it to refund him the money he has lost as a result.

What happened

The details of what happened are well known to both parties, so I won't repeat them here.

In summary, Mr W's wife came across an advert on Facebook for a company that could recover funds previously lost to investment scams.

Mr W had lost money to an investment scam some years prior and was keen to try and get his money back, and so sent a message and initially parted with £250 from his account with another bank before making the following payments from his account with Revolut.

Date	Payee	Payment Type	Amount
23/09/2023	Mr W - Zen	Transfer	£5,000
23/09/2023	Mr W - Zen	Transfer	£4,900
28/09/2023	Mr W - Zen	Transfer	£4,900
10/10/2023	Luno Money	Transfer	£10
14/10/2023	Mr W - Zen	Transfer	£975
31/10/2023	Luno Money	Transfer	£8
31/10/2023	Luno Money	Transfer	£21
		Total	£15,994

Unfortunately, this was another scam, and Mr W lost this money too.

Unhappy with what had happened, he complained to Revolut, but it didn't uphold his complaint.

Mr W brought his complaint to this Service, and our Investigator looked into what had happened, but also didn't think that Mr W's complaint should be upheld.

Mr W asked for an Ombudsman to make a final decision, so the complaint has been passed to me.

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've decided not to uphold Mr W's complaint for broadly the same reasons as our Investigator. I know this will be disappointing for Mr W, so I'll explain why.

It isn't in dispute here that Mr W has been the victim of a scam and has lost money as a

result. However, even when it is clear that a scam has taken place, and an individual has been tricked out of their money, it doesn't necessarily follow that a business will need to refund the money that has been lost.

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 having been good industry practice at the time.

In broad terms, the starting position at law is that banks and other payment service providers (PSP's) are expected to process payments and withdrawals that a customer authorises it to make, in accordance with the Payment Services Regulations (PSRs) and the terms and conditions of the customer's account.

Mr W authorised the payments in question here – so even though he was tricked into doing so and didn't intend for his money to end up in the hands of a scammer, he is presumed liable in the first instance.

But this isn't the end of the story. As a matter of good industry practice, Revolut should also have taken proactive steps to identify and help prevent transactions – particularly unusual or uncharacteristic transactions – that could involve fraud or be the result of a scam. However, there is a balance to be struck: banks had (and have) obligations to be alert to fraud and scams and to act in their customers' best interests, but they can't reasonably be involved in every transaction

Taking into account the above, 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 that its customers were at risk of fraud (among other things). This is particularly so given the increase in sophisticated fraud and scams in recent years, which banks are generally more familiar with than the average customer.
- 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.

In this case, I need to decide whether Revolut acted fairly and reasonably in its dealings with Mr W when he authorised payments from his account or whether it could and should have done more before processing the payments.

Revolut has shown that it intervened when Mr W when he made the initial payment of £5,000 and showed Mr W a warning that the payment had flagged as a potential scam. Mr W was shown the following messages when he completed his payment

- Mr W was told to answer all questions honestly as fraudsters may ask him to hide the real reason for making a payment
- Mr W was asked about the purpose of the payment
- Mr W was asked if anyone was telling him how to answer the questions
- Mr W was asked if he had been told to download any software such as Anydesk in order to spy on personal details or open any investment accounts

- Mr W was asked if he had sole control of the account he was making the payment to

After this, Mr W was also shown a number of warnings – including a warning about scammers impersonating financial institutions, not to allow anyone remote access, and that scammers will often tell individuals to ignore warnings.

Mr W wasn't honest about what he was doing here – even though some of the messages Revolut showed him were applicable to his situation and should have given him cause for concern.

I have also considered what would have happened if Revolut had made a better intervention and spoke with Mr W directly – but even if it had done so, I don't think that this would have prevented Mr W from making the payments.

As part of the scam, Mr W moved money from his account with Halifax to Revolut, and it spoke with him on several occasions about what he was doing. But Mr W wasn't forthcoming with Halifax either – he told it that the purpose of the payment was for home improvements, and that no one had told him to take out the loans which Mr W had actually taken out to fund the scam.

I have also seen that Mr W was provided with guidance for that to say to his other bank (Chase) if it questioned him about the payments he also made as part of the same scam from his account with it.

So, I don't think that further questioning from Revolut would have prevented Mr W continuing to make the payments.

I am very sorry for that has happened to Mr W – I know that he was trying to recoup the huge loss he suffered before and has been taken in by a cruel and manipulative scam. But the loss has been caused by the scammers themselves, not Revolut, and I can't ask it to refund him when I don't think that it could have prevented the loss he has suffered.

My final decision

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 30 July 2024.

Claire Pugh
Ombudsman