

The complaint

Mr H is unhappy that Revolut Ltd has decided not to refund him after he was the victim of an authorised push payment scam.

What happened

Mr H says he was looking to purchase tickets for football games at the world cup and found a seller online. He says he found the website for a ticket seller, but then contacted the seller via its social media account. It later transpired that the social media account was not linked to the company he thought he was dealing with.

Mr H negotiated the purchase of multiple tickets for himself and others. He proceeded to set up two new payees from his Revolut account and make nine payments totalling, £26,350. The table below sets out the dates and times of the payments, the amounts, and payees. The payments highlighted in bold aren't accounted for in the conversations Mr H has provided, so it's not clear what these payments related to or what tickets Mr H thought he was purchasing.

Date	Time	Type of transaction	Amount
20 July 2022	16.38	Faster payment – payee 1	£1,200
21 July 2022	19.42	Faster payment – payee 1	£550
23 July 2022	17.44	Faster payment – payee 1	£3,500
25 July 2022	13.25	Faster payment – payee 1	£3,500
02 August 2022	20.37	Faster payment – payee 2	£1,200
04 August 2022	14.38	Faster payment – payee 2	£3,500
04 August 2022	20.11	Faster payment – payee 2	£3,500
17 August 2022	10.26	Faster payment – payee 2	£6,000
25 August 2022	12.42	Faster payment – payee 2	£3,400
			£26,350

Mr H says he thought he was purchasing tickets for himself and on behalf of others. And he's said he received no payment from anyone for these tickets and he's suffered the total loss for all payments made.

Revolut investigated the matter and decided not to refund Mr H. It said it provided warnings when the new payees were set up and Mr H acknowledged these but proceeded with the payments. It also attempted to recover the funds, but these attempts were unsuccessful. One of our investigators looked into things and said the payments didn't appear unusual or suspicious given Mr H's normal account activity. Mr H regularly carried out transactions for similar amounts and the payments were spread over an extended period. Mr H didn't speak or interact with Revolut at the time of making the payments and so it didn't miss an opportunity to identify the payments as being part of a scam.

The investigator went on to say as two new payees were set up for these payments Revolut ought to have considered this as suspicious. But she was satisfied that Revolut provided sufficient warnings, asking if the payees were trusted and known to Mr H and that fraudsters can impersonate others.

The investigator also thought that the highest one-off payment off £6,000 (the penultimate payment) ought to have triggered and Revolut ought to have considered it as unusual and intervened. But she went on to say she didn't think intervention would have made a difference here, because Mr H thought he was dealing with the genuine company and if asked about this, Revolut wouldn't have had concerns about the payment. The investigator also considered if Revolut did all it could when it came to recovering the funds. She said the funds had already been removed from both beneficiary accounts. So Revolut wasn't liable for Mr H's losses when it attempted to recover them.

Among other points raised the consumers representatives didn't accept the investigators findings. It said:

- Two payments, totalling £7,000, (two weeks prior to the £6,000 payment the investigator flagged) ought to have triggered. And if Revolut had intervened then it would have exposed the scam.
- The payments were bank transfers to individuals and not the company Mr H thought he was dealing with. This would have been an instant red flag when the payment reason was explained.
- All communications were via social media.
- Details such as phone numbers didn't match the genuine company
- These points would have prompted Mr H to conduct further due diligence.
- If asked about any checks he'd conducted, Revolut would have been able to warn him specifically about social media impersonation scams.

The investigator didn't think the payments Mr H's representatives pointed to, ought to have flagged as suspicious because they were spread out across a day rather than being in quick succession. She reiterated her reasons why intervention wouldn't have made a difference here and said these points didn't change her opinion.

As the complaint couldn't be resolved it has been passed to me.

I set out my findings in my provisional decision to both parties and I've included this below

What I've provisionally 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.

Firstly, I'll start by saying Mr H via his representative hasn't been able to provide evidence which relates to all the payments made. I've seen the evidence where prices are negotiated and agreed, for most of the tickets Mr H thought he was purchasing. But for the two final payments, which includes the largest one-off payment, there's no evidence. I've asked for this evidence or an explanation several times and this hasn't been provided. Mr H provided partial records of conversations between him and the ticket seller. Only after repeated requests for information has a more detailed conversation between the two individuals been supplied. But I'm not persuaded this is the full conversation. Again, it doesn't contain the details for the final payments and there's not been any explanation for this.

And I can see from the conversations, that Mr H was negotiating and purchasing tickets on behalf of others. Mr H has said that when the tickets didn't materialise, he wasn't paid by those who he was purchasing tickets for. However, it seems unusual that Mr H would be left with this financial burden rather than his friends repaying him as soon as he'd incurred the expenditure. I've asked Mr H about this, and he hasn't been able to provide any information or correspondence to corroborate that he wasn't repaid at the point he purchased the tickets.

And so, I'm not persuaded that Mr H has in fact incurred the loss here for all the payments involved. I say this because, in one conversation with the payee Mr H says, "I'll wire it and get the money from him". In another conversation Mr H says "What's the price? A mate was asking" and "it's for a friend - he just asked me".

However, given my overall findings on the complaint I'm not persuaded this lack of information prevents me from reaching an outcome. I'll explain why.
Key considerations

In broad terms, the starting position at law is that an Electronic Money Institution (EMI) such as Revolut is expected to process payments and withdrawals that a customer authorises it to make, in accordance with the Payment Services Regulations (in this case the 2017 regulations) and the terms and conditions of the customer's account. And I've taken that into account when looking into what is fair and reasonable in this case. I've considered whether there was anything about the circumstances surrounding the payments that could have put Revolut on notice that they were being made as part of a scam. And I think there was. I disagree with the investigator's findings on this point, and I'll explain why.

Should Revolut have intervened with the payments?

Mr H made several payments on his Revolut account prior to the payments in dispute. But those were transfers in between his own accounts. The payments made as part of the dispute are to two new payees which isn't normal account activity. The first five payments are relatively low in value and spread across a two-week period. However, I'm satisfied that the second payment on 4th August for £3,500, represents a scam risk that Revolut ought to have intervened with. The payment at this point represents a £7,000 spend in one day and

£8,200 over the course of three days. All to a new payee set up only a few days earlier. Whilst Mr H received a new payee warning when setting up both payees. As I've said above, I think the second £3,500 payment on 4th August ought to have prompted Revolut to do more.

So, when Mr H attempted to make this payment, I think Revolut ought fairly and reasonably to have recognised the risk. In line with the good industry practice that I've set out above, I think Revolut ought to have intervened and asked Mr H about the payments he was making.

Would intervention have made a difference?

Then I've thought about whether intervention would likely, have made a difference, and I don't think it would.

- *It's not clear why Mr H decided to contact a football ticket seller via its social media account. On the website there is no indication that consumers should visit the social media account (and no link to its social media page is provided on the website either) to buy tickets rather than use its website for all purchases. Mr H has said he used social media to communicate with other companies before and said it was more responsible than using email. But he hasn't indicated that he'd made ticket purchases in this way before.*

- *Mr H had also purchased other tickets for the same event, through the official football governing body. But in this instance had chosen to use the secondary online marketplace, which comes with some inherent risk. Mr H appears to be experienced, at least to some extent, in purchasing football tickets. And so ought reasonably to have been aware of the risks when purchasing tickets in this way.*
- *The company Mr H used has a disclaimer that says it is an online marketplace and is not the seller of and does not take responsibility for any tickets sold through the online marketplace. Although it does offer a money back guarantee.*
- *Mr H says he found the social media page through his own search, having already checked the marketplace website. He said it had the same logo as the website and a similar name, and even had posts from the embassy of the country the world cup was being held in. Mr H said the account had many followers and conversations but has since been deleted. Mr H has provided a single screenshot which shows the social media account he contacted, and this had no followers. So, his own evidence on this point is contradictory. I've specifically drawn this to Mr H's attention, and he's said the account he checked had many followers. Putting aside this contradiction, I'm persuaded that even if Revolut had intervened and provided warnings about impersonation scams, Mr H would have explained he was dealing with the online marketplace given what he's said above. And so, I'm not persuaded this would have resulted in Mr H not proceeding with the payment.*
- *When Mr H was corresponding with the individual, I can't see that he ever asked why he was paying personal accounts rather than a company account. But the online marketplace also explains it's not the seller of the tickets. So, I think he was aware, or ought to reasonably have been aware, he was taking some risks in buying tickets in this way.*
- *This leads me to conclude that Mr H recognised there was some risk here and decided to take it anyway. I'm not persuaded that intervention from Revolut would have specifically exposed he wasn't dealing with individuals from the online marketplace website. And even if it had, Mr H had accepted a certain element of risk in purchasing tickets in this way and had decided to go ahead anyway.*

Any other considerations

As I've already said, beyond the above reasons for not upholding the complaint I'm not satisfied that the losses here are all truly Mr H's. And so, on that basis I wouldn't recommend a refund either.

I'm also persuaded that at the time Mr H reported the transactions to Revolut the payments couldn't be recovered. So Revolut isn't liable to refund Mr H for this reason either.

Revolut did not respond to my provisional findings.

Mr H's representatives responded to my provisional decision with further comments. In summary it has said:

- *Mr H attempted to recover the message logs but has been unsuccessful, presumably because the conversations were not backed up prior to him changing phones. And*

the lack of information should not be used to question the validity or accuracy of Mr H's testimony.

- Its not unusual to be repaid for tickets purchased for friends after the event has passed. And Mr H's bank statements don't show deposits by any third parties. Mr H has incurred the full losses.
- With better intervention from Revolut the scam would have been exposed. This is because Mr H was using social media to purchase the tickets, he was paying individuals rather than the company he thought he was dealing with and these are points Revolut would have picked up and exposed as being a scam.

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.

I have considered Mr H's representatives comments in detail. Having done so they do not persuade me to reach a different conclusion in this complaint. I'll explain why.

With regard to the messages that can't be retrieved, I have seen that a message a month after the payments on 11 September, is available in the message history. So, it's unusual that the other messages, covering a period of four weeks, can't be obtained but this one message, is available. But ultimately Mr H hasn't been able to provide any explanation for what the last two payments were in relation to, either in his version of events to the bank and the investigator or when asked further about this after my involvement. There's been no explanation why Mr H hasn't been able to account for those purchases which seem unusual given they were large in comparison to the other previous payments. As such it's not clear what he thought he was purchasing, again whether this was for him or on behalf of friends and what was agreed between the parties. And so this does place some doubt about the validity of Mr H's previous comments, given he hasn't been able to provide any detail about these payments.

I have considered the representatives point that Mr H may not have been reimbursed by those he was purchasing tickets on behalf of. Whilst I accept repayment might be paid after an event has passed, in this instance, Mr H was outlaying thousands of pounds on behalf of others. In the provisional decision I referenced the potential to provide further supporting evidence on this point, for example, any information or correspondence to corroborate that he wasn't repaid at the point he purchased the tickets. The response from Mr H's representative does not contain this. The representative says this is evidenced by the lack of any deposits into Mr H's Revolut account. And although Mr H's Revolut account doesn't show deposits from third parties that isn't conclusive evidence he wasn't repaid, for example he could have been repaid in cash or into other bank accounts. So, I'm still not persuaded Mr H has incurred the full loss, especially given the contradictory evidence contained within the messages about seeking reimbursement when the tickets were purchased.

And although Mr H's representatives have set out why they think Revolut ought to have been concerned about what Mr H was doing, if it had intervened and asked questions. Mr H has provided contradictory evidence about the social media account he was contacting which I highlighted in the provisional decision. And, importantly I'm satisfied he recognised there was some risk in buying tickets in this way and decided to go ahead anyway. So I'm not persuaded, that with these two things in mind, he would have decided not to proceed even if warned about goods and services scams.

My final decision

As I've set out above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 23 July 2024.

Sophia Smith
Ombudsman