

The complaint

Miss C is unhappy that Revolut Ltd won't refund money she lost as a result of a scam.

What happened

Miss C was the victim of an investment recovery scam. In summary, she's explained that after realising she'd fallen victim to an investment scam, she sought help online and was recommended specialists who told her they'd help get the money back. She's recalled how they placed her under pressure, and she was led to believe that if she didn't send money to pay for their 'software', she'd risk getting into trouble with the FBI.

Miss C made a total of eight transactions from her Revolut account as part of this recovery scam – which to be clear is my only consideration in this final decision. The details of these are as follows:

Date	Description	Amount
4 December 2023	Card Payment to Coinbase	£500.00
4 December 2023	Card Payment to Coinbase	£300.00
4 December 2023	Card Payment to Coinbase	£120.00
5 December 2023	Card Payment to Moonpay	£450.00
5 December 2023	Card Payment to Moonpay	£399.00
5 December 2023	Card Payment to Moonpay	£240.00
7 December 2023	Card Payment to Moonpay	£400.00
17 December 2023	Card Payment to Moonpay	£40.00

Miss C reported the scam to Revolut, who raised chargeback claims which were ultimately rejected. She subsequently raised a complaint about what happened, which Revolut didn't uphold – it explained the result of the chargeback claims and said it didn't think it had acted unfairly.

Unhappy, Miss C brought her concerns to us to investigate.

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.

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.

But, taking into account relevant law, regulators rules and guidance, relevant codes of practice and what I consider to have been good industry practice at the time, I consider it fair and reasonable in December 2023 that Revolut should:

- have been monitoring accounts and any payments made or received to counter various risks, including 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 firms are generally more familiar with than the average customer;
- have acted to avoid causing foreseeable harm to customers, for example by maintaining adequate systems to detect and prevent scams and by ensuring all aspects of its products, including the contractual terms, enabled it to do so;
- in some circumstances, irrespective of the payment channel used, have taken additional steps, or made additional checks, or provided additional warnings, before processing a payment – (as in practice Revolut sometimes does including in relation to card payments);
- have been mindful of – among other things – common scam scenarios, how the fraudulent practices are evolving (including for example the common use of multi-stage fraud by scammers, including the use of payments to cryptocurrency accounts as a step to defraud consumers) and the different risks these can present to consumers, when deciding whether to intervene.

With this in mind, I've considered whether Revolut ought to have taken a different approach to the payments Miss C made as part of the scam. To do this, I've reviewed the circumstances of them. I've noted:

- While I appreciate it was a lot for Miss C to lose, the payments weren't generally significant in value, either individually or as a total spend for the day – with the highest payment being for £500 and the total spend being for £1,089.00.
- Taken with the values of the payments, I don't think the frequency of the payments looked particularly alarming either – with eight payments being made to two merchants in just under two weeks.
- The payments didn't seem to follow a particular pattern that matched known fraud trends at the time – for example, they didn't increase in value over time.
- Miss C's account was relatively new – so there wasn't a lot of spending for Revolut to compare this to in order to say it looked unusual. And given Miss C said one of the purposes of the account was for transfers when she opened it, I don't find that these payments looked particularly at odds with that.

Taking this all into account, I don't find the circumstances of these payments ought to have alerted Revolut that Miss C was at risk of financial harm. It follows that I don't find that Revolut acted unreasonably when it processed the payments in line with her instructions without carrying out further checks.

As well as considering whether Revolut ought reasonably to have done more to prevent Miss C's losses, I've considered whether it ought to have done more to recover them. I can see Revolut raised chargeback claims on her behalf. Such claims fall under a voluntary scheme run by Miss C's card issuer that can help get her money back in specific circumstances. But given the rules of the scheme, I don't think there was ever a reasonable chance of these claims succeeding. This is mainly because Miss C made the payments to legitimate cryptocurrency exchanges – and the funds were sent to fraudsters from that point.

I've also noted Miss C's mention of other schemes she thought could help, like the Contingent Reimbursement Model. But that's a voluntary code that Revolut isn't signed up to, and it doesn't apply to card payments like these. Miss C also mentioned how she expected a refund as she'd not failed with 'gross negligence'. But that's generally a factor only for disputes about unauthorised payments, which isn't the case here.

I do appreciate how disappointing this outcome will be for Miss C, who has clearly fallen victim to horrible scams at a vulnerable time in her life. But for the reasons I've explained, I don't think her losses can be attributed to something Revolut did wrong. So I don't uphold this complaint.

My final decision

For the reasons I've explained, I don't uphold Miss C's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss C to accept or reject my decision before 25 December 2024.

Emma Szkolar
Ombudsman