

## The complaint

Ms P complains about Revolut Ltd.

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

## What happened

Ms P came across an advert on social media where a well-known celebrity was supposedly endorsing an investment in cryptocurrency.

Ms P was persuaded to invest and made the following payments. Ms P was also persuaded to take out a personal loan to fund the investment.

Miss K made the following payments.

Payment	Date	Payee	Transaction type	Amount
1	22 May 2023	Binance	Card	£1,000
2	30 May 2023	Binance	Declined – CVV incorrect	<b>£1,500</b>
3	30 May 2023	Binance	Declined – fraud check	<b>£1,500</b>
4	30 May 2023	Binance	Card	£1,500
5	1 August 2023	Binance	Card	£2,500
6	1 August 2023	Binance	Card	£2,500
7	1 August 2023	Binance	Card	£5,000
			<b>Total loss</b>	<b>£12,500</b>

Ms P says that she was being hassled to invest more money and attempted to make a withdrawal as she had become suspicious but was asked to pay a further £6,000 in order to do so. She then realised she had been scammed and made a complaint to Revolut, but it did not uphold her complaint.

Ms P then brought her complaint to this Service, and our Investigator looked into things. However, they also didn't think that the complaint should be upheld. They said that while they thought that Revolut should have intervened in the payments Ms P was making, that even if it had got in touch this wouldn't have prevented Ms P from making the payments.

Ms P 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 this complaint, for broadly the same reasons as our Investigator. I know this will be disappointing for Ms P, so I'll explain why.

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 and the terms and conditions of the customer's account. And I have taken that into account when deciding what's fair and reasonable in this case.

Ms P authorised the payments in question here – so even though she was tricked into doing so and didn't intend for the money to end up in the hands of a scammer, she 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 law, regulator's rules and guidance, relevant codes of practice and what I consider having been good industry practice at the time, 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.
- 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, 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.
- 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.

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

Revolut has shown that it intervened on 30 May 2023 when Ms P attempted a payment for £1,500 – it checked with Ms P that she recognised the payment, and Ms P confirmed that she recognised the payment and authorised it. At this point, I think this was a proportionate step for Revolut to have taken, and I wouldn't have expected it to make any further enquiries at this point.

However, when Ms P made the second payment of £2,500 on 1 August 2023, I think that Revolut should have taken further steps and got in touch with Ms P to get a better

understanding of what was going on and attempt to protect Ms P from financial harm. I would have expected it to question Ms P about the payment and tailored its response to the answers she provided, but Revolut did not do so.

But in order for me to uphold this complaint from this point, I would also have to find that such an intervention from Revolut would have prevented Ms P from continuing with the payment, and I'm afraid I am not persuaded that it would have. I'll explain why.

Ms P has provided messages that were sent between herself and the scammer which show that Ms P was being coached and manipulated by the scammer – going as far as to direct her to apply for a personal loan to fund the investment with inaccurate information about the reasons for the application. The scammer told her to say that the loan was for home improvements, and how to answer any questions should the lender ask her about it. They specifically told her that she shouldn't mention crypto, or trading. Ms P didn't question why the scammer was telling her to be untruthful.

While Revolut would have been able to see that Ms P was paying money to a crypto provider, I think that seeing as Ms P followed the scammers instruction without question, it's very likely she would not have divulged information to Revolut about what was actually happening. And so, I don't think Revolut would have been given enough information to provide her with an effective warning.

I am deeply sorry for the situation Ms P now finds herself in, I know that she is understandably upset by what has happened here. But her loss has been caused by the scammer – not Revolut. And I can't ask it to refund her when I don't think it could have prevented the loss.

### **My final decision**

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms P to accept or reject my decision before 27 September 2024.

Claire Pugh  
**Ombudsman**