

The complaint

Mr B complains that Revolut Ltd won't refund him the money he lost after he fell victim to an Authorised Push Payment (APP) scam.

What happened

The background to this complaint is well known to both parties, so I won't repeat it in detail here. But in summary, I understand it to be as follows.

The complaint concerns several transactions, totalling £1,010.96, which Mr B made in December 2023 from his Revolut account. These were made in connection with a job opportunity which involved completing a set of tasks to boost ratings for things such as hotels. Mr B subsequently discovered that he'd fallen victim to a scam.

It was explained to Mr B that as part of the job he would need a trading account and he was shown how commission could be earned through completing the tasks. The scammers then persuaded Mr B that, to enable the tasks to be completed and to earn higher commission, he would need to pay his own money to them to top up his trading account.

Mr B realised he'd been scammed when he was unable to make withdrawals.

Mr B raised the matter with Revolut, but it didn't agree to reimburse him. Unhappy with Revolut's response, Mr B brought his complaint to this service. One of our Investigator's looked into things but didn't think the complaint should be upheld.

Mr B didn't agree with our Investigator's view. I wrote to Mr B and informally explained my thoughts as to why I didn't think Revolut were liable to refund him. As Mr B remains unhappy, it's now appropriate for me to formalise my findings and issue a decision on this complaint.

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 his submissions to us Mr B has referred to other consumers who have also raised fraud claims. But I should clarify that this decision focuses solely on the individual circumstances of Mr B's complaint.

I'm sorry to hear that Mr B has been the victim of a cruel scam. But, looking at all that's happened, I'm not going to be able to say Revolut should be responsible for refunding his loss. I know that will be disappointing for him and he feels strongly that this money should be returned to him, so I'll explain why.

In broad terms, the starting position at law is that a firm is expected to process payments and withdrawals that a customer authorises, in accordance with the Payment Services Regulations 2017 and the terms and conditions of the customer's account.

However, that isn't the end of the story. Good industry practice required that Revolut be on the lookout for payments that were out of character or unusual to the extent that they might have indicated a fraud risk. On spotting such a payment, I'd expect it to intervene in a manner proportionate to the risk identified.

It is now known with the benefit of hindsight that Mr B had been targeted by a scammer. The question I must consider is whether that risk ought to have been apparent to Revolut at the time based on the information that was available to it.

Having looked at everything carefully, I don't think there was enough about the disputed payments that ought to have triggered Revolut's fraud prevention systems more than they did.

Firms, like Revolut, have a difficult balance to strike in how they configure their systems to detect unusual activity or activity that might otherwise indicate a higher than usual risk of fraud. There is a delicate balance to be struck. There are many millions of payments made each day and it would not be possible or reasonable to expect a payment provider to check each one. And, in situations where Revolut do intervene, I would expect that intervention to be proportionate to the circumstances of the payment.

In this case, while I don't underestimate the significance of the loss to Mr B, I don't consider Revolut acted unfairly or unreasonably in allowing the payments to be made. I don't think the value or pattern of the payments ought to have caused Revolut concerns to the extent that it ought to have done more than it did. I can see that Revolut did provide some online warnings and given the circumstances I think that Revolut did enough in providing those. I think that was a proportionate intervention, given the individual circumstances of this case, and I'm not persuaded Revolut needed to do anything more.

I'm also satisfied Revolut acted reasonably in attempting to recover the money Mr B sadly lost, but that it wasn't able to recover money from the beneficiary accounts. Sadly, it is quite typical with these types of scams for fraudsters to move money away from the beneficiary account, straight after the payments are made, presumably to frustrate the efforts at this type of recovery.

I don't say any of this to downplay or diminish the fact that Mr B has fallen victim to a cruel and cynical scam. I have a great deal of sympathy for the circumstances that he found himself in and I acknowledge that this has put him in an extremely difficult financial position. However, my role is limited to looking at the actions and inactions of Revolut and I don't find that Revolut could have prevented the loss or is liable in any way. So it isn't required to reimburse Mr B.

I'm aware that Mr B has indicated his intent to escalate matters further. I would point out that my decision here means things have reached the end of the process with this service and we won't revisit the issue again. However, Mr B doesn't have to accept my final decision, and if he doesn't it won't be binding on him. Subject to any time limits or other restrictions a court might impose, Mr B's right to, say, pursue a legal remedy won't have been prejudiced by our consideration of this complaint.

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 Mr B to accept or reject my decision before 21 November 2024.

Stephen Wise
Ombudsman