

The complaint

Mr F is unhappy that Revolut Ltd haven't refunded money he lost as a result of a scam.

What happened

The detailed background to this complaint is well known to both parties. So, I'll only provide a brief overview of some of the key events here.

Around September 2023 Mr F received a missed call on a messaging platform from someone who claimed to have dialled the wrong number. After exchanging messages, they built up a friendly relationship and Mr F was told about an investment opportunity. After initially rebuffing the investment opportunity the third-party contacted Mr F a few months later and promised him some very good profits to help him with his personal and financial circumstances.

In total Mr F sent €11,580 and £4,400 to the scammer. He was buying crypto peer-to-peer before sending this to the scammer via a genuine crypto exchange. After sending the above funds Mr F again grew suspicious of the third-party and felt like he was being scammed. So, he cut off all communication again. He reported the scam to Revolut in February 2024 to claim his money back. But Revolut said that it hadn't done anything wrong so it wouldn't be providing a refund. Mr F remained unhappy, so he brought his complaint to this service.

Our investigator didn't think the complaint should be upheld. He said that Revolut intervened on the first payment here and asked him a few questions about the payment. Revolut then invited Mr F to the in-app chat to ask him further questions about why he was making the payment. But due to the answers Mr F gave, our investigator didn't think Revolut could reasonably have stopped the scam. Our investigator said that Revolut also blocked a later payment but again wasn't provided with accurate answers by Mr F. And because the payments were push to card and to purchase crypto peer-to-peer Revolut wasn't reasonably able to recover Mr F's money.

Mr F disagreed and asked for an Ombudsman's review. He said Revolut could've done more than intervene via the in-app chat by calling him. And that Revolut's security systems don't do enough to deter anyone who thinks they are doing the right thing at the time of the payment because Revolut has enough experience of these scams to provide more thorough prevention methods.

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 reached the same conclusion as our investigator. And for largely the same reasons. I'm sorry to hear that Mr F has been the victim of a cruel scam. I know he feels strongly about this complaint, and this will come as a disappointment to him, so I'll explain why.

I've read and considered the whole file. But I'll concentrate my comments on what I think is relevant. If I don't mention any specific point, it's not because I've failed to take it on board and think about it, but because I don't think I need to comment on it to reach what I think is a fair and reasonable outcome.

Where the evidence is incomplete, inconclusive, or contradictory (as it is here), I have to make my decision on the balance of probabilities – that is, what I consider is more likely than not to have happened in the light of the available evidence and the wider surrounding circumstances.

It is common ground that Mr F authorised the scam payments of €11,580 and £4,400. I accept that these were authorised payments even though Mr F was the victim of a scam. So, although it wasn't his intention to pay money to the scammers, under the Payment Services Regulations 2017 (PSRs) and the terms of his account, Mr F is presumed liable for the loss in the first instance.

However, taking into account the law, regulatory rules and guidance, relevant codes of practice and good industry practice, there are circumstances where it might be appropriate for Revolut to take additional steps or make additional checks before processing a payment in order to help protect customers from the possibility of financial harm from fraud.

Revolut's first obligation is to follow the instructions that Mr F provides. But if those instructions are sufficiently unusual or uncharacteristic for the account, I'd expect Revolut to intervene and to ask their customer more about the intended transaction before processing it. I'd also expect Revolut to provide suitable warnings about common scams to help their customers make an informed decision as to whether to continue with the payment. There might also be cases where it's appropriate for Revolut to refuse to follow the instruction if there are good grounds to believe it is being made as a result of a fraud or scam.

I agree with the investigator that Revolut reasonably intervened on the first payment here. It asked some reasonable questions about why Mr F was making the payment and asked him to continue the conversation in its in-app chat. However, Mr F didn't provide accurate answers to Revolut's questions about why he was attempting to buy crypto. Mr F denied that anyone had contacted him telling him to make the payment. Revolut said that if he had been told to make the payment or guided on how to do it then it would be a scam. Mr F then said he had made purchases via the genuine crypto exchange before. Mr F also confirmed he was using peer-to-peer to make the payment because he'd done that before and found it easier. Because of these answers Revolut's suspicions were allayed. They provided some additional warnings about scams. Two hours later Mr F made one of the payments to a third-party.

When Revolut later blocked a further payment, it was once again not provided with the correct answers by Mr F. On this occasion, Mr F said he was buying crypto from a friend (which wasn't true) and again denied that anyone else was involved in him making that payment. Because Mr F said he was buying from a friend, Revolut asked some further probing questions, but these were unlikely to uncover the scam because it wasn't the real reason for the payment. Furthermore, Mr F didn't provide truthful answers to the questions about how he had met and spoken with the 'friend'. I've also noticed Mr F becoming frustrated at Revolut asking further questions about why he was making the payments with him adding that he would consider closing the account after the conversation had finished.

Overall, the above persuades me that Revolut reasonably intervened on the payments here but despite asking probing questions to try and understand why they were being made, it wasn't provided with accurate answers. This meant that it was harder for Revolut to try and uncover the scam. Despite telling this service that he already had misgivings about the

investment opportunity that he had been offered before making these payments, this shows me that Mr F was under the influence of the scammer to such an extent that he had reached a point where he was willing to say anything for his money to be released and for the payments to go through.

Mr F argues that Revolut should've done more here and called him to discuss the payments. But I don't agree. I don't think there was enough going on here for Revolut to have been suspicious of Mr F's answers. Ultimately, it was satisfied by the answers it was given and I'm satisfied that on this occasion its questions were reasonable. Nor do I think the pattern of payments on the account changed significantly enough so that Revolut should've been more concerned about a change in the behaviour and patterns of payments. As a result, I think the level of intervention in this complaint was reasonable in the circumstances.

I've considered whether Revolut acted reasonably when it was made aware of the scam. Having done so, I'm satisfied Revolut didn't treat Mr F unfairly by not attempting to retrieve his money here. Because of the method of payment, it wouldn't be possible for Revolut to recover the money from the individuals Mr F purchased the crypto to send to the genuine crypto exchange because it's likely the individuals weren't involved in the scam. And if the individuals were involved then it's unlikely that the payment would've been recoverable due to the time that had passed between the payments and the scam being raised.

I appreciate this will come as a disappointment to Mr F, and I'm sorry to hear that he has been the victim of a cruel scam. As a result, I'm not persuaded that Revolut can fairly or reasonably be held liable for his loss in these circumstances.

My final decision

For the reasons given above, I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr F to accept or reject my decision before 1 April 2025.

Mark Dobson
Ombudsman