

Complaint

Mr S says Revolut Ltd didn't do enough to help him when he was a victim of a scam.

Background

In 2019, Mr S was contacted online by someone he believed to be a recruitment agent. He was invited to apply for a position with a large international company. The agent appeared to be legitimate, and as Mr S was searching for work at the time, it didn't seem unusual for him to be contacted in this way.

He was told he needed to travel to London as part of the recruitment process and asked to transfer money to cover the cost of transport and accommodation. On 24 June 2019, he made a payment of £2,270. Regrettably, this was not a legitimate opportunity and Mr S had transferred the money to a scammer.

He recognised that he'd been the victim of a scam shortly afterwards. He was conducting online research about the company he believed he'd applied for a position with. He saw information that said this company would never expect anyone to make an upfront payment as part of its recruitment process.

Mr S notified Revolut the following morning (25 June). He told it he'd been a victim of a scam and asked it to recover the payment from the bank he'd transferred the payment to – the receiving bank. It didn't contact the receiving bank that day – in fact, there was no contact until around six months later. Information provided by the receiving bank showed that the funds had been transferred out of the account on the afternoon of 26 June.

Mr S says that if Revolut had acted more promptly, it would've been able to recover the payment. His complaint was looked at by one of our investigators who agreed with Mr S. Revolut disagreed with our investigator's view. It said that, even if it had acted promptly, there was no guarantee that the receiving bank would've frozen the funds in time. It also said that it can only attempt to recover payments on a "*best endeavours*" basis and that there can't be any guarantee of success. It pointed out that the terms and conditions of its account say the following:

"We are not responsible if we make a payment to the person you tell us to ... However, if you ask us to, we'll try to get your money back for you ... we don't guarantee that we will, and in some cases we won't be able to."

Nonetheless, it offered to refund 50% of the payment. Mr S wasn't willing to accept this offer and, as Revolut had disagreed with the investigator's view, the complaint has been passed to me to consider and issue a final decision.

Findings

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 come to the same overall conclusion as the investigator and for broadly the same reasons.

Once Revolut became aware that Mr S had been the victim of a scam, it ought to have notified the receiving bank without delay. I can see that the funds weren't transferred out of the fraudster's account until approximately one day after Revolut became aware of what had happened which suggests that there was enough time to stop the onward transfer of the funds.

Revolut has argued that, even if it had acted quickly, there was no guarantee that the receiving bank would've acted quickly enough to prevent the funds from being moved out of the account. It's also said that recovery of funds is on a "*best endeavours*" basis and that success cannot be guaranteed. It's referred to its terms and conditions in support of this. The fact that Revolut didn't act promptly means that any failing on the part of the receiving bank is entirely hypothetical. If the facts of the case were different and the receiving bank was predominantly responsible for the failure to recover the funds, then it might have been appropriate for Mr S to direct his complaint against that bank but I'm not persuaded that's the case here.

There was a significant window of opportunity - approximately 24 hours. If Revolut had contacted the receiving bank promptly (within an hour), I think it's likely that the receiving bank would've had sufficient time to freeze the funds. Overall, I find it more likely than not that the funds could've been successfully recovered if Revolut had acted promptly.

I have also considered whether Mr S was blameworthy in some way, but I'm not persuaded he was. All things considered, I am satisfied he was simply the unwitting and blameless victim of a cruel fraudster who successfully convinced him this was a necessary step if he wanted to be considered for a highly sought-after job opportunity.

Final decision

For the reasons I've set out above, I uphold this complaint. Revolut Plc should refund the payment to Mr S. It should also add 8% simple interest per annum on that sum from the date he notified it of the scam until that date it pays the settlement to him.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 15 January 2021.

James Kimmitt
Ombudsman