

The complaint

Mr D complains about Revolut Ltd's actions in relation to a scam in which he lost £1,041.

What happened

In January 2021 Mr D was contacted by scammers pretending to work for an investment company. Later that month he transferred £1,041 across various transactions to a cryptocurrency exchange – I'll refer to here as 'A'.

Mr D became aware that he had been scammed so he contacted Revolut and made a complaint in March 2021. Mr D said Revolut should've realised the payments he made to A were suspicious and it should've made reasonable enquiries into why he was making the payments. Revolut considered the complaint and issued a final response letter on 15 March 2021 rejecting Mr D's complaint.

Unhappy with this, Mr D referred the matter to our service. Our investigator didn't think the complaint should be upheld. He said the actual cause of the loss was the transfer Mr D made from A to the scammers. So, the loss hadn't been caused by Revolut's actions or lack of action.

Mr D disagreed and asked for an Ombudsman's review. He maintained that sending money to A should've flagged with Revolut this was a suspicious and high-risk transfer and that Revolut should've been aware of this type of scam.

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 know Mr D 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.

In deciding what's fair and reasonable in all the circumstances of a complaint, I'm required to take into account relevant: law and regulations; regulators' rules, guidance and standards; codes of practice; and, where appropriate, what I consider to have been good industry practice at the time.

In broad terms, the starting position at law is that a bank is 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. In this case, I'm satisfied that Mr D knew the transactions were being made and authorised them.

I've thought carefully about whether it's fair and reasonable to hold Revolut responsible for Mr D's loss. I understand he transferred the funds from his Revolut account to an account he held with A – a cryptocurrency exchange. He then made a further transfer from A to the scammers. Mr D says Revolut should've been aware of the dangers in transferring money to A and taken action to prevent him from completing the transactions.

The key question here is – what's the actual cause of Mr D's loss? In my view, there was a new, intervening act between the transfers from Revolut to A (or Revolut's alleged failure to intervene in those transfers) which was the cause of the loss. That was the onward transfers to the scammers from A. Mr D wouldn't have suffered this loss had it not been for the later transfers from the account he held with A. So, I'm satisfied that was the actual cause of his loss.

I appreciate this will be disappointing to Mr D. Based on what I've been told about how the scam unfolded, I don't hold him at fault for what happened. But for the reasons set out above, I also don't think Revolut's actions caused his loss. So, I don't consider it fair and reasonable to direct Revolut to take responsibility for this and reimburse him for the money he lost to the scammers.

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 D to accept or reject my decision before 24 November 2021.

Mark Dobson
Ombudsman