

## **The complaint**

Mr D wants Revolut Ltd to refund him the money he sent to their customers as the result of a scam.

## **What happened**

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

Between June and July 2019 Mr D sent over £200,000 (in Euros) from his account with his own bank to two different Revolut accounts. At the time he believed he was making the payments in relation to a mortgage with a well-known international bank. Unfortunately, it turned out that he was in contact with scammers, who had directed him to make the payments to two different Revolut accounts.

When the scam was discovered, Mr D reported this to the relevant parties. Ultimately Revolut declined to reimburse Mr D and a complaint was referred to our service. One of our investigators thought the complaint should be upheld in part. She recommended that Revolut pay Mr D £18,950 plus interest. Revolut accepted our investigators outcome but Mr D disagreed and asked for an ombudsman to make a decision.

## **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.

Mr D's payments were split between two Revolut accounts, to differentiate between these I'll refer to them as account A and account B. For Mr D's reference account A is the account he paid where the account number ends 87 and account B's account number ends with 25.

I'm satisfied that Revolut followed their usual processes when opening both accounts in line with their regulatory obligations to do so. And I don't think there was anything at that stage that reasonably could have alerted them that either account would later be used in connection with a fraud or scam. I appreciate Mr D has said he opened his own Revolut account to 'test' their processes which he still believes to be insufficient. But as I'm satisfied the accounts were correctly opened, I don't think Revolut could have prevented Mr D's loss in this way.

The majority of Mr D's loss was paid into account A in June and July 2019 this represented around €240,000 spread across around 20 payments most of which were for €12,000. I've carefully looked at the account activity on account A. Given the type of account and it's expected use, there isn't anything either before or after Mr D's payments into the account that makes me think Revolut ought to have intervened or should have done more. I'm satisfied that there was no activity that I think would have reasonably stood out as unusual or

suspicious. As such there was no reason for Revolut to intervene in the operation of that account.

Also by the time Revolut were on notice that Mr D's payments had been made as a result of a scam, the vast majority of his money had already been withdrawn or spent. I note that a nominal amount of around £30 was recovered from account A and returned to Mr D, but I don't think Revolut reasonably ought to have recovered more.

Mr D also paid £18,950 into account B on 22 July 2019. Account B had been relatively recently opened and there was some activity on that account which I think ought to have prompted Revolut to have asked some questions of its customer. Newly opened accounts present a greater risk of misuse compared to established accounts. Ultimately, I think this would have put Revolut on the path to discovery that the activity on the account might be the misappropriation of funds. Had Revolut blocked the account and investigated as I think they should have done, I think its most likely Mr D's payments of 22 July and the loss associated with them would have been prevented.

Revolut accepted our investigators view in this regard. But Mr D still disputes this. He thinks that Revolut ought to have been more concerned with account A and the significant sums involved there. I can quite understand Mr D's disappointment, but it is only fair for me to direct Revolut to make a payment, if I think they reasonably caused the loss (or part of it). And beyond the award I'm making, I don't think Revolut are responsible for the outstanding amount.

As I'm directing that all the funds Mr D paid into account B are reimbursed to him, I don't need to consider Revolut's efforts at recovery from that account once made aware of the scam to decide this complaint.

### **My final decision**

For the reasons outlined above, my final decision is that I uphold this complaint in part. Revolut Ltd must:

- Pay Mr D £18,950 – but they may reduce this by the amount of any funds (if any) already recovered and returned to Mr D from account B.
- Pay 8% simple interest on the settlement amount between 22 July 2019 and the date of refund.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 22 February 2022.

Richard Annandale  
**Ombudsman**