

The complaint

Mr K complains about the actions of Revolut Ltd when he was tricked into transferring money 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. On 2 February 2021 Mr K was sadly the victim of a scam. He was tricked, by a beneficiary, into believing he was purchasing a guitar on social media for £1,150. The beneficiary then told Mr K the money hadn't been received. Mr K spoke to Revolut on 3 February 2021 but there was confusion on the online chat about whether the payment had been made to the beneficiary because Revolut incorrectly confirmed another unrelated previous transaction had been sent instead of the transaction Mr K had requested. But later, during the same conversation, Revolut confirmed the money had been sent to the beneficiary.

Mr K contacted Revolut on 4 February 2021 to check the payment had been received by the beneficiary and he said to Revolut he was starting to think he had been scammed. Revolut confirmed the payment was made but Mr K didn't contact Revolut again until the next day to report the scam.

Revolut tried to recover Mr K's money from the receiving bank but it wasn't able to do so. So, Mr K raised a complaint which Revolut didn't uphold. Mr K then brought his complaint to this service. He said Revolut should've helped him confirm he had been scammed when he first contacted it on 3 February 2021.

Our investigator didn't think the complaint should be upheld for the full amount Mr K lost to the scam. She said Revolut confirmed the money had been sent to the scammer on 3 February 2021. And that she didn't think Mr K was likely aware he was being scammed when he first contacted Revolut because he raised concerns about the payment the next day, but Mr K didn't report the scam during this conversation. The investigator said Revolut had delayed the reporting of the scam to the receiving bank, but that only £18 of Mr K's money could be returned.

Mr K disagreed and asked for an Ombudsman's review. He said he suspected he had been scammed on 3 February 2021 and spoke to Revolut through its online chat. He said if Revolut had correctly told him he had sent the money to the scammer then he would've known it was a scam and his money could've been retrieved from the receiving bank much sooner. So, he wasn't happy with the £18 that Revolut had offered to refund.

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 K 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.

It is common ground that Mr K authorised the scam payments totalling £1,150. I accept that these were authorised payments even though Mr K was the victim of a scam. He provided valid instructions through his online account. So, although it wasn't his intention to pay money to the scammer, under the Payment Services Regulations 2017 (PSRs) and the terms of his account, Mr K 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 K 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.

So, the starting point here is whether the instruction by Mr K (to transfer £1,150 to the scammer) given to Revolut was unusual in relation to his typical account activity. I've reviewed the account statements for the eleven months prior to the scam payment being made. I think this gives a sufficient sample size to fairly assess the activity. The account typically was used for sporadic transactions with the balance moving from 0 to £1,750 depending on when Mr K used his account. There were also payments ranging from £400 to £1,900. As a result, I'm not satisfied Mr K's payment ought to have stood out to Revolut as unusual or suspicious because he commonly made similar payments. So, I don't think there was any reason for Revolut to have intervened and to have asked questions of Mr K.

I understand Mr K was unhappy with the amount of time it took Revolut to report the scam to the receiving bank. He feels this should've been done when he first queried the payment on 3 February 2021. But I don't agree. After considering copies of the online chats Mr K had with Revolut, I don't think Revolut should've done more to recover his money before the scam was officially reported to Revolut on 5 February 2021. I note Revolut's agent provided confirmation of the wrong payment on 3 February 2021 but when the correct payment was confirmed Mr K was happy the payment had been sent to the scammer and the chat ended.

Mr K then spoke to Revolut the next day. I accept he mentioned the possibility of being scammed here but I don't think it was up to Revolut to decide this for him. I say this because Mr K only wanted to confirm the payment had been sent and received at this point. Revolut confirmed the payment had been sent and told Mr K to see if the payment had been received and to come back if he needed more help. Mr K did so and returned the next day when he confirmed he had been scammed. And I'm satisfied it's at this point Revolut should've raised the scam with the receiving bank. Unfortunately, Revolut didn't do so. It didn't raise the issue with the receiving bank until 9 February 2021. Because of this, I've gone on to consider whether the delay made any difference.

Here, I've seen the receiving bank has said the £1,150 couldn't be refunded to Mr K on 5 February 2021 because there was only £18 left. So, even if Revolut had contacted the receiving bank as soon as Mr K had told it about the scam, he wouldn't have received all his money back.

Putting things right

Revolut has now agreed to refund the £18 that would've remained if it has raised the scam earlier. I understand Mr K is unhappy with this amount but, for the reasons I've outlined above, I can't say that he's been treated unfairly by Revolut here.

So, I'm not going to ask Revolut to take any further action.

My final decision

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

Revolut Ltd must refund £18 to Mr K.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 24 February 2022.

Mark Dobson
Ombudsman