

## The complaint

Ms C complains that Revolut Ltd didn't do enough to prevent her loss when she fell victim to a scam. She is particularly unhappy with Revolut's handling of her fraud claim.

## What happened

On 20 May 2021 Ms C made a payment of £1,426 from her Revolut account to an account in Spain for a rental property. Unfortunately, this turned out to be a scam.

Ms C contacted Revolut about the scam on 22 May 2021. Revolut contacted the beneficiary bank on 25 May 2021 to try and recover the money, but despite chasing a response on several occasions throughout May and June 2021, the beneficiary bank didn't reply.

Ms C complained to Revolut. It said it had provided Ms C with sufficient warnings when she made the transaction and it had attempted to recover the funds. So, it didn't consider itself to be liable for Ms C's loss. It did however think it could've provided clearer information to Ms C when she made contact about the scam. Revolut offered Ms C a two-month premium subscription for the inconvenience caused.

Ms C complained to our service. She didn't accept Revolut's response to her complaint nor did she accept its offer of a two-month subscription. Ms C said Revolut had failed to act '*promptly and prudently*' when she reported the fraud. And it didn't try and stop the transaction, recover the funds, or compensate her for her loss. Ms C said she'd been left with no form of recourse to recover the money she'd lost as a victim of fraud.

Our investigator considered the complaint but didn't uphold it. She found Revolut had acted fairly and reasonably in the circumstances.

Ms C didn't agree and has asked for an Ombudsman's decision. She maintained that Revolut hadn't dealt with her case with care and expediency, given the severity of what had happened, and because time was of the essence when trying to get the funds back. She said her interactions with several Revolut agents in the days after the fraud took place demonstrated that her case wasn't being handled with '*due care or process*'. She was particularly concerned that she was asked to complete the wrong forms – which she said added to her distress and led her to question whether her fraud claim was being properly dealt with.

## 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 decided not to uphold this complaint. I know this is not the answer Ms C was hoping for and so this will come as a disappointment. I'm really sorry to hear she has been the victim of a scam and has lost a considerable sum of money as a result. I can understand why she'd want to do all she can to recover the money she has lost. But I

need to decide whether Revolut can fairly and reasonably be held responsible for Ms C's loss. Overall, I've decided that it can't be. I'll explain why.

I've seen the correspondence between Ms C and the scammer. And I'm satisfied she fell for a sophisticated rental scam. In the days before making the payment, she'd been in contact with who she thought was the owner of the rental property, having found its details on what she believed to be a genuine web page for a well-known property rental company. But unfortunately, when she went to collect the keys for the property, no one was there to meet her. And after being unable to speak to anyone, she became suspicious and contacted Revolut.

It's not disputed that Ms C authorised the scam payment of £1,426. So, although it wasn't her intention to pay money to the scammers, under the Payment Services Regulations 2017 (PSRs) and the terms of her account, Ms C 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 to help protect customers from the possibility of financial harm from fraud.

Revolut has said Ms C would've received warnings at the point she added the beneficiary and when she authorised the payment. These warnings are designed to alert customers to any suspicious activity on their accounts, as well as about common scams. I've no reason to believe Ms C didn't receive those warnings – given she would've needed to acknowledge receipt for the payment to proceed.

I've thought about whether Revolut's warnings were sufficient in this case. But given the level of sophistication adopted by the scammer, the trust Ms C had in them and the interactions she had prior to making the payment, I think, on balance, it's unlikely any warning Revolut issued would've stopped her making the payment. And so, I can't say Revolut's actions when processing the payment are to blame for Ms C's loss.

Ms C notified Revolut she'd been the victim of a scam on 22 May 2021 and it contacted the beneficiary bank in Spain on 25 May 2021 to see if any funds remained. Unfortunately, despite several further attempts by Revolut to contact the beneficiary bank, no response was received.

Ms C is concerned that Revolut delayed in dealing with her fraud claim – and in turn didn't try to recover the money as swiftly as it could. I can understand Ms C's point and agree that prompt action to try and recover funds can increase the likelihood of those funds still being available. However, I'm also aware that funds are often removed very quickly from the beneficiary account in the case of scams. And I also must bear in mind that overseas beneficiary banks are under no obligation to respond to retrieval requests from UK banks. So, even if Revolut had tried to recover the funds sooner, I think it's unlikely to have resulted in a different outcome. It did however make several attempts to chase a response and I'm therefore satisfied Revolut made reasonable efforts to recover the funds Ms C lost through the scam. So, I don't think it needed to do anything else.

Therefore, overall, I don't think it would be fair or reasonable to hold Revolut responsible for Ms C's loss in this particular case.

Finally, Ms C is concerned about the level of customer service she received from Revolut after the fraud took place. I can understand her concerns, and from looking through the correspondence exchanged between both parties, I think Revolut could've handled things better. But I believe Revolut has addressed Ms C's points of complaint as best it can and

has offered some redress. While I fully appreciate Revolut's poor handling added to the distress Ms C was already understandably feeling having been a victim of fraud, taking everything into account, I don't think Revolut needs to take any further action.

### **My final decision**

For the reasons I've explained, I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms C to accept or reject my decision **before 15 March 2022**.

Anna Jackson  
**Ombudsman**