

The complaint

Mrs B is unhappy that Revolut Ltd didn't reimburse her the money she lost to a scam.

Background

Mrs B has explained that in February 2022, she was researching ways to make additional money and saw what appeared to be a business advertising on a video sharing platform. The advert explained customers could buy access to its app, which then paid customers for completing tasks on social media, such as liking posts. Mrs B enquired further and was told she could make around £2,000 per month from the app. On this basis she agreed to purchase access to the app. She made two payments to two different payees, the first for £100, the second for £2,000.

A week after purchasing access to the app, Mrs B explained the app disappeared from her phone and she realised she'd been the victim of a scam. She therefore contacted Revolut to raise a claim.

Revolut contacted the beneficiary bank to investigate further but unfortunately, no funds remained. Revolut considered it wasn't liable for Mrs B's losses as it provided her with warnings when she made the payments.

Unhappy with Revolut's response, Mrs B brought the complaint to our service. An investigator looked into things and didn't uphold the complaint. He didn't consider that Revolut should've intervened before allowing the payments to be processed, based on the value of the payments being made. He also thought Revolut did all it reasonably could to recover Mrs B's funds once it had been made aware of the scam.

Mrs B didn't accept our investigator's view and so the complaint has been passed to me for a decision.

My findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

The key questions to consider here are whether Revolut should have recognised Mrs B's payments as being suspicious and intervened - and whether it did enough once aware of the fraud to recover her funds.

Having considered whether Revolut could, or should, have done more to stop Mrs B making the payments she did, I don't think I can fairly or reasonably ask Revolut to take responsibility for the money Mrs B has lost. I understand this will be a very disappointing outcome for Mrs B, so I'll explain why.

I accept Mrs B has been the victim of a cruel scam – and it's clear that this has caused Mrs B an immense amount of distress and worry. But that alone doesn't mean Mrs B must be reimbursed by Revolut. That all depends on whether Revolut did anything wrong – that is,

could it have done any more to prevent the scam from taking place or intervened so that Mrs B would have realised what was happening and stopped before sending the money.

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. Although the money was not intended to go to a fraudster, Mrs B is presumed liable for the loss in the first instance.

But taking into account the law, regulator's rules and guidance, relevant codes of practice and what I consider to have been good industry practice at the time, I consider Revolut should fairly and reasonably:

- Have been monitoring accounts and any payments made or received to counter various risks, including anti-money laundering, countering the financing of terrorism, and preventing fraud and scams.
- Have had systems in place to look out for unusual transactions or other signs that might indicate that its customers were at risk of fraud (among other things). This is particularly so given the increase in sophisticated fraud and scams in recent years, which banks are generally more familiar with than the average customer.
- In some circumstances, irrespective of the payment channel used, have taken additional steps, or made additional checks, before processing a payment, or in some cases declined to make a payment altogether, to help protect customers from the possibility of financial harm from fraud.

Revolut should be on the lookout for unusual and out of character situations, such as a customer making a larger payment than they would typically make to a new payee. These can be indicators that a transaction could involve fraud or be the result of a scam.

I've considered whether the payments made by Mrs B ought to have flagged with Revolut as suspicious – but I don't think they should. This was a newly opened account, so Revolut had no previous transactional history for Mrs B by which to compare her usual spending against. I don't think the value of the payments Mrs B made were such that Revolut should've had concerns and intervened on this basis alone. I therefore don't think Revolut should've taken further action before processing Mrs B's payments.

I've therefore gone on to consider whether Revolut did all it could to recover Mrs B's funds, once it was made aware of the scam. Mrs B contacted Revolut to report the scam on 14 February 2022 but didn't provide further requested information until 18 February 2022. I've contacted the beneficiary bank who has confirmed that sadly all of Mrs B's funds had been withdrawn by this time. Therefore I don't think there was anything Revolut could reasonably have done to recover Mrs B's money.

I appreciate how disappointing this outcome will be for Mrs B. But in the circumstances, I don't think I can fairly say Revolut should have done more to prevent Mrs B losing this money. So I don't think it would be fair to ask Revolut to refund the loss.

My final decision

My final decision is that I don't uphold Mrs B's complaint against Revolut Ltd.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs B to accept or reject my decision before 17 August 2022.

Kirsty Upton
Ombudsman