

## The complaint

Mr S complains that Revolut Ltd won't refund the money he lost when he was the victim of a scam.

## What happened

Mr S was interested in investing in cryptocurrency. He searched online and found a website that appeared to be endorsed by a number of celebrities, and so he signed up to the website. He then started to receive emails from a cryptocurrency investment company offering him the chance to invest with them. Mr S exchanged a number of emails with the investment company, before ultimately agreeing to invest with them. The investment company then got him to download some software so they could remotely access his computer, and to open an account with Revolut which the investments would be made through.

Mr S then made a number of payments from an account he already had with another bank, to his new Revolut account. He then made a number of payments from his Revolut account to a cryptocurrency exchange, as set out below, and used that money to buy cryptocurrency that was sent to the investment company.

Date	Amount
21 October 2021	£1,910.61
25 October 2021	£1,060.78
1 November 2021	£1,912.25
10 November 2021	£2,977.01
15 November 2021	£3,081.59
16 November 2021	£2,388.82
23 November 2021	£2,071.74

Unfortunately, we now know the cryptocurrency investment company was a scam.

The scam was uncovered after Mr S asked to withdraw some of his money from the investment company. He says the company kept making excuses as to why he couldn't withdraw his money, demanded he pay in more money and threatened that he would lose all the money he'd invested if he didn't invest more. Eventually the company stopped responding to him and Mr S reported the scam to Revolut and asked it to refund the money he had lost.

Revolut investigated but said that Mr S had confirmed he wanted to make the payments through its app. It also said it had no reason to be suspicious of the payments, so didn't think it had acted negligently in allowing them to go through and had done all it could to protect him. So it didn't agree to refund the money Mr S lost. Mr S wasn't satisfied with Revolut's response, so referred a complaint to our service.

One of our investigators looked at the complaint. They didn't think the payments were unusual enough to have warranted further questions from Revolut, and so they didn't think

Revolut should have to refund them. Mr S disagreed with our investigator, so the complaint has been passed to me.

### **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 don't think it would be fair to require Revolut to refund the money Mr S lost. I'll explain why below.

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 be good industry practice at the time.

In broad terms, the starting position in law is that an account provider is expected to process payments and withdrawals that a customer authorises it to make, in accordance with the terms and conditions of the customer's account. And a customer will then be responsible for those transactions that they have authorised.

It's not in dispute here that Mr S authorised the payments. He accepts he made them himself as instructed to by the scammers, or allowed the scammers to make them using his account details. So while I recognise that he has been the victim of a scam and didn't intend the money to go to scammers, the starting position in law is that Revolut was obliged to follow his instructions and process the payments. So Mr S isn't automatically entitled to a refund.

The regulatory landscape, along with good industry practice, also sets out a requirement for account providers to protect their customers from fraud and financial harm. And this includes monitoring accounts to look out for activity that might suggest a customer was at risk of financial harm, intervening in unusual or out of character transactions and trying to prevent customers falling victims to scams. So I've also thought about whether Revolut did enough to try to keep Mr S's account safe.

As Mr S opened the account specifically to make these payments, there wasn't any previous account history for Revolut to compare the payments to when trying to see whether they were unusual or out of character. The payments also aren't for such large amounts that I'd necessarily expect Revolut to question them – particularly as these types of accounts are often used for money transfers, in a similar way to how Mr S's payments would have appeared. And I don't think there was anything else about the payments that should have made them seem unusual either. So I don't think Revolut acted unreasonably in letting the payments Mr S made go through.

Mr S was clearly the victim of a cruel scam and I sympathise with the position he has found himself in. But I don't think anything Revolut could reasonably have been expected to do would have prevented the scam. And so I don't think it would be fair to require Revolut to refund the money Mr S lost.

### **My final decision**

For the reasons given above, I don't uphold Mr S's complaint.

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

Alan Millward

**Ombudsman**