

The complaint

Mr R complains about Revolut Ltd.

He says that Revolut didn't do enough to protect him from becoming the victim of a scam and would like Revolut to refund him the money he has lost.

What happened

Mr R was contacted by G by telephone. G presented itself as a successful cryptocurrency trading firm.

Mr R was persuaded by G to open an account with Revolut, and to fund this account with transfers from his account with S. He was then further persuaded to purchase crypto from P, a legitimate crypto exchange.

Once he realised he had been the victim of a scam, Mr R complained to both Revolut and S.

Neither S nor Revolut upheld his complaints, so Mr R brought the complaints to this Service.

Our Investigator considered this complaint but didn't think that it should be upheld. Mr R remained unhappy, so the complaint has been passed to me to make a final 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.

Having done so, I've decided not to uphold this complaint. I know that this will be disappointing for Mr R, so I'll explain why.

Was Mr R the victim of a scam?

It isn't in dispute here that Mr R had been the victim of a scam. He was contacted out of the blue by G who persuaded him to invest in crypto, and to download Anydesk software onto his PC. He was then told to open a new account with Revolut and to fund this with his account held with S before using these funds to purchase crypto from a crypto exchange. Mr R has never been able to access his funds after the crypto was purchased and has since found reviews online indicating that G was a scammer.

Did Mr R authorise the payments?

In line with the Payment Services Regulations 2017 (PSRs), Mr R isn't liable for payments he didn't authorise, unless he failed with gross negligence or intent to comply with the terms of the account or keep his personalised security details safe.

Mr R says that he only authorised the first payment of £15,000, but that the other three

payments totalling £55,000 were not authorised by him. Mr R says that G had access to his PC through Anydesk and made the payments without his consent.

However, while I understand Mr R had been tricked into instructing Revolut to make the payments and never intended the payments to go to the scammers, I think that he did authorise them. I'll explain why.

Revolut has provided the internal logs for the three transactions that took place which show that they were made using Mr R's trusted mobile phone – and not his PC where he had downloaded Anydesk on the instruction of the scammers. He has also confirmed that he did not allow access to his mobile phone to the scammers.

Recovery of Mr R's payments

After Mr R made the payments, I wouldn't expect Revolut to do anything further until it was notified of the scam.

Mr R made his payments by bank transfer, so I don't think that the payments were likely to be recoverable after they had been made. While Revolut could have contacted the merchant, P, to try and recover the funds, it was a legitimate exchange – and it provided Mr R with the services requested of it, which was the purchase of crypto.

While I understand that Mr R then went on to move the crypto to another wallet which was in the control of the scammer, this isn't the fault of P, and therefore, I don't think Revolut could have recovered any of the payments in dispute.

Should Revolut have reasonably prevented the payments in the first place?

I can only uphold this complaint if I think that Revolut reasonably ought to have prevented some or all payments Mr R made in the first place – therefore preventing the loss before it happened.

As I've explained above, I'm satisfied Mr R authorised the scam payments in question here – so he is presumed liable for the loss in the first instance.

That said, as a matter of good industry practice, Revolut should have taken proactive steps to identify and help prevent transactions – particularly unusual or uncharacteristic transactions – that could involve fraud or be the result of a scam. However, there is a balance to be struck: banks had (and have) obligations to be alert to fraud and scams and to act in their customers' best interests, but they can't reasonably be involved in every transaction.

Taking into account the law, regulatory rules and guidance, relevant codes of practice and what I consider having been good industry practice at the time, I consider Revolut should fairly and reasonably:

- Been monitoring accounts – including payments made and 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 its customers were at risk of fraud (amongst 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; and
- 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.

This leads me to consider the payments that Mr R made and if Revolut should have intervened – and if any intervention would have made a difference.

Mr R's initial payment to P was for £15,000 – a large sum of money, and the first ever payment Mr R made from his Revolut account.

Revolut has confirmed that when Mr R opened his account, he told Revolut that he intended to use the account for making transfers (which is what he did) and that it didn't have any transaction history for Mr R so it didn't have anything to compare his usual spending with, and that this could have been normal for Mr R.

It says that when Mr R set up his first payment to P, Mr R was presented with several screens that asked if Mr R trusted the payee – and gave the following warnings;

Please beware if you've been:

- *Contacted by someone you don't know or have recently met to move money from your account*
- *Told your account is at risk, to move funds to a safe account or to take out a loan*
- *Threatened with additional fines or being arrested*
- *Given an offer that seems too good to be true.*

You risk losing money that we may not be able to recover

The same screen then gives options to read about scams in Revolut's blog, or to get advice from an agent.

Mr R continued with the payment.

But while these screens did provide a warning – I don't think this goes far enough. £15,000 is a large sum of money, so despite Revolut not having any historical transactions to compare Mr R's usual spending with, I think that it should have got in touch with Mr R and asked him about the payment, the intention being to uncover or disrupt a fraud or scam that could put Mr R at risk of financial harm.

However, as I have explained above, I need to be sure that this failing would have resulted in the scam being uncovered, and the payments being prevented. And I'm not persuaded that an intervention from Revolut would have made a difference here. I'll explain why.

When Mr R was initially approached by the scammer, he was instructed to move his money from his account with S to Revolut before purchasing crypto. S blocked the first payment he tried to make and spoke with him about what he was doing and why. I have been provided with a copy of this call.

Unfortunately, Mr R wasn't truthful with S. He told it that he was opening his account with Revolut off his own back – and no one else was involved. Mr R had also downloaded software onto his PC but didn't divulge this information to S either.

I understand that Mr R's representative does not agree with my view on what happened on

this call. It says that Mr R didn't lie to S, and that the call was mostly about safe account scams and not the one that Mr R fell victim to. They say that Mr R told S that the money was going to Revolut – which it was.

But I disagree here. While S did talk about safe account scams, it also asked Mr R if he had been approached by anyone, or if he had received any cold calls, been directed to download any software onto his computer. It also asked him if he had been asked to open the account with Revolut by anyone else. All of these things had happened to Mr R – but he chose not to divulge this to S.

So I think that even if Revolut had questioned Mr R about the payments he was making, it is unlikely that Mr R would have divulged any further information to it either – and would have maintained that he was acting on his own behalf.

Was Mr R vulnerable?

Mr R is represented in his complaint by a third party, who have said that Mr R was vulnerable due to his age and lack of technical knowledge and computer literacy. But just because someone is older doesn't mean that they are not capable of managing their own financial affairs or are vulnerable. Mr R also tested out his account with Revolut to see how it worked by transferring and returning money to his account with S and was using both mobile banking and online banking before and after the scam took place.

I do have a great deal of sympathy for the situation Mr R now finds himself in. He has been the victim of a cruel scam and has lost a significant amount of money as a result of this. However, the loss suffered was ultimately caused by the scammers themselves, not Revolut. And I can't ask Revolut to refund the money Mr R has lost when I think a missed opportunity by Revolut to intervene wouldn't have prevented the loss.

My final decision

For the reasons set out above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 21 July 2023.

Claire Pugh
Ombudsman