

The complaint

Mrs B complains that Revolut Ltd will not refund the money she lost when she fell victim to an investment scam.

What happened

The details of this complaint are well known to both parties, so I will not repeat them again here. The facts are not in dispute, so I will focus on giving the reasons for my 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 agree with the conclusions reached by the investigator for these reasons:

In line with the Payment Services Regulations 2017, Revolut is expected to execute authorised payment instructions without undue delay. It is agreed that Mrs B authorised these disputed transactions. She made them via bank transfer and card payment, to her cryptocurrency wallets, before subsequently transferring the funds on to the scammers. So the starting position is that she, rather than Revolut, is liable for these payments.

However, there are circumstances when it might be appropriate for Revolut, as an electronic money institute (EMI), to identify a fraud risk and to therefore take additional steps before processing a payment. Such as when the payment is significantly unusual or uncharacteristic when compared to the normal use of the account.

In this case, Mrs B had only recently set up the account. So the first payments did not appear unusual or uncharacteristic – as Revolut had no prior knowledge of the way Mrs B usually transacted. But Revolut has told us it did show a 'general' fraud warning on the first day she started making the payments.

In the circumstances, I consider that was reasonable and proportionate. Although the amount was significant, at £1,000, it was not so high or otherwise concerning that I would have expected Revolut to do more. Especially bearing in mind that Revolut is an EMI. It is not that uncommon for EMI accounts to be opened to make larger payments compared to those made via banks.

Mrs B then went on to make several more payments to the scam. These were spread out over a period of a month or so, with gaps in between the dates of payment. Most went to the same, legitimate cryptocurrency merchant. And they were for similar amounts. So the payments did not appear suspicious or uncharacteristic. I therefore think it was reasonable for Revolut to simply execute the payments in line with the authorised requests it received.

Mrs B also paid another cryptocurrency merchant towards the end of the scam. The first payment to them was for a similar amount (just under £1,000) followed by a slightly higher payment (just under £2,500) almost two weeks later.

While the last payment was the highest, I do not think it was such a significant change from Mrs B's account activity that Revolut ought to have suspected fraud. Again, the payments were spread out, were being sent to a similar merchant, and the amount paid was broadly in line with what had been sent on previous days.

I therefore do not think Revolut is at fault for failing to identify the scam, and prevent the loss, at the time of the transactions. Nor could it recover the funds once the scam was reported as they had already been moved on from the direct payees (Mrs B's cryptocurrency wallets). And chargeback claims for the card payments would not have succeeded as there were no issues with the service provided by those cryptocurrency merchants.

I appreciate this will be disappointing for Mrs B, who has been the victim of a cruel and sophisticated scam. But I do not think her loss is attributable to an error by Revolut.

My final decision

For the reasons given above, my final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs B to accept or reject my decision before 28 August 2023.

Rachel Loughlin
Ombudsman