

The complaint

Mr G complains that Revolut Ltd won't refund money he lost, after he fell victim to an Authorised Push Payment (APP) scam.

What happened

The background to this complaint is well-known to both parties, so I won't repeat it all here, But briefly, and based on the submissions of both parties, I understand it to be as follows.

In March 2022, Mr G was contacted by somebody claiming to be from Revolut. The caller told Mr G to check the number they were calling from on Revolut's website, which Mr G said he did and could see it was a Revolut telephone number. The caller made Mr G think he's money was in danger and that he needed to move it to a 'safe' account.

Believing he was talking to his bank and that everything was genuine, on 25 March 2022, Mr G went ahead and made a transfer for £2,187.07 to account details the caller provided. But unfortunately, unknown to him at the time, Mr G was speaking to a fraudster and he'd sent the money to an account the fraudster controlled.

Mr G has said that within an hour of making the payment he realised he had been the victim of a scam and contacted Revolut through its in-app chat. Revolut looked into Mr G's complaint, but didn't uphold it. It said it considered the transfer Mr G was making was out of character and seemed suspicious, so it sent the transfer to 'pending' and warned Mr G about the most common type of scams. Revolut did try and recover the money that Mr G lost from the beneficiary account (the account to which the money was sent), but it was only able to recover £0.07, which it returned to Mr G's account.

Unhappy with Revolut's response, Mr G brought his complaint to our service and one of our Investigator's looked into things, but he didn't think the complaint should be upheld. In summary, he said that while the payment Mr G made was larger than payments he'd made in the months leading up to the scam, he didn't think Revolut should have done more than it did. He said Revolut had identified the payment as potentially higher risk and provided Mr G with warnings about scams. Our Investigator thought the warnings provided were sufficient and proportionate in the circumstances.

As Mr G didn't agree with our Investigator's opinion, his complaint has been passed to me for a 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.

I'm sorry to hear Mr G was the victim of a scam and I can understand why he wants to do all he can to recover the money he lost. But I can only direct Revolut to refund Mr G's losses if it can fairly and reasonably be held responsible for them.

I can see that Mr G has referred to the Lending Standards Board Contingent Reimbursement Model ('CRM') Code. But the CRM Code doesn't apply in this case as Revolut aren't signed up to it.

Mr G has said he didn't authorise the transaction as it was made as part of a well elaborated scam. But whilst we now know the account Mr G sent his funds to was controlled by a fraudster, the funds were paid to the account details Mr G had entered and therefore the transaction was requested and authorised by him. Because of this, Revolut had an obligation to follow his instructions.

But, taking into account the law, regulatory rules and guidance, relevant codes of practice and good industry standards, there are circumstances where it might be appropriate for Revolut, as an electronic money institute ('EMI'), to take additional steps or make additional checks before processing a payment in order to help protect its customer from the possibility of financial harm from fraud.

Revolut has a difficult balance to strike in how it configures its systems to detect unusual activity or activity that might otherwise indicate a higher than usual risk of fraud. There is a delicate balance to be struck. There are many millions of payments made each day and it would not be possible or reasonable to expect a bank to check each one. And, in situations where Revolut do intervene, I would expect that intervention to be proportionate to the circumstances of the payment.

In this case, I don't consider Revolut acted unfairly or unreasonably in allowing the payment to be made. Revolut did recognise the payment was unusual for Mr G, in comparison to how he typically ran his account. In view of this it provided warnings to Mr G at the point he was making the payment. I can see that Mr G told Revolut he saw the warnings, but that he wasn't thinking properly and he doesn't think the warnings were enough.

But all things considered, I think that Revolut did enough in providing a warning to Mr G when he made the payment. I think that was a proportionate intervention, given the individual circumstances of this case, and I'm not persuaded Revolut needed to do anything more.

I'm also satisfied Revolut acted reasonably in attempting to recover Mr G's funds, but that it was only able to recover a small amount. It is quite typical with these types of scams for fraudsters to move money away from the beneficiary account, straight after the payments are made, presumably to frustrate the efforts at this type of recovery. Sadly, that was the case here.

It's very unfortunate Mr G has lost this money in this way, and I understand the whole experience has been deeply upsetting and I have a great deal of sympathy for him. But in the circumstances, I don't think I can fairly or reasonably say Revolut should have done more to prevent Mr G from losing this money.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 19 January 2023.

Stephen Wise
Ombudsman