

## **The complaint**

Mr E is unhappy that Revolut Ltd has refused to refund the money he lost after falling victim to a scam.

## **What happened**

The circumstances that led to this complaint are well known to both parties, so I won't repeat them in detail here. But, in summary:

- In December 2021 Mr E received a phone call from someone who told him they worked for his bank. This individual, who turned out to be a scammer, persuaded Mr E that his account had been compromised so the money in it needed to be moved to a safe account. He told Mr E to open an account with Revolut, transfer the balance of his bank account to this new account and then send the majority of the money on to another account held with another provider (which the scammer led Mr E to believe had been opened in his name).
- Mr E contacted Revolut soon after realising he'd been scammed and Revolut was able to recover £400 from the receiving account. But it refused to refund the remaining £2,200 Mr E had lost because it said it had given him various warnings relating to possible scams, which he'd ignored. Unhappy with Revolut's response, Mr E referred a complaint to this service.
- Our investigator didn't think the complaint should be upheld as he didn't think Revolut ought to have done more than it did. Mr E remained unhappy, so the complaint has been referred 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.

Revolut has referred to the Lending Standards Board Contingent Reimbursement Model Code in some of its correspondence. But the Code doesn't apply in this case as Revolut isn't signed up to it.

It's not in dispute that Mr E set up the Revolut account and instigated the transfers in and out that I've mentioned above. So, although he didn't intend the money to go to the scammers, under the Payment Services Regulations 2017 and the terms and conditions of his account, Mr E is presumed liable for his loss in the first instance.

But, taking into account the law, regulatory rules and guidance, relevant codes of practice and good industry practice, there are circumstances where it might be appropriate for a bank or electronic money institution like Revolut 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. An example of this would be if a payment instruction is sufficiently unusual or uncharacteristic given the usual use of the account. In such circumstances I'd

expect Revolut to intervene and ask more questions about the intended transaction before processing it. I'd also expect Revolut to provide suitable warnings about common scams to help its customer make an informed decision about whether they want to continue with the payment. But I also expect any intervention to be proportionate to the circumstances of the payment.

In this case Mr E didn't have an account with Revolut before the scam, so there was no transaction history with which to compare the activity on the day in question. Revolut says it provided some warnings to Mr E when he set up the new payee – in particular because the Confirmation of Payee check indicated that the name he gave for the receiving account didn't match the name the account was actually held in. And further warnings were given when he actually made the payment. Mr E told us he saw the warnings, but that he wasn't thinking properly because he was worried his bank account was at risk.

All things considered, I think Revolut's intervention was proportionate, given the individual circumstances of this case, and I'm not persuaded it needed to do anything more.

I'm also satisfied Revolut acted reasonably in attempting to recover Mr E's funds, but that it was only able to recover £400. It's fairly typical with these types of scams for fraudsters to move money away from the receiving account, straight after the payments are made, presumably to frustrate the efforts at this type of recovery.

In all the circumstances I can't fairly instruct Revolut to refund Mr E's remaining £2,200 loss.

### **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 E to accept or reject my decision before 10 April 2023.

Ruth Hersey  
**Ombudsman**