

The complaint

Mr M complains that Revolut Ltd ("Revolut") hasn't done enough to protect him against the loss of money to a scam.

What happened

Mr M says that in August 2021 he read an online article about forex trading. He subsequently signed up with a trading platform that I will call B. He says he was contacted by B who suggested that he set up a Revolut account. Once this account was opened he transferred three payments totalling £4,600 to Binance which were subsequently transferred to B. Mr M says that these transactions were carried out remotely by a representative of B using remote access to his computer but he did agree to these transactions.

Some months later after failing to be able to withdraw his funds from B Mr M reported to Revolut that he'd been scammed. Revolut raised a chargeback which seems to have been unsuccessful. Mr M complained, and remaining unhappy, referred his complaint about Revolut to us. Our investigator did not recommend that Revolut refund the transactions but she did believe that £100 compensation be paid for delays in the chargeback process. Mr M did not agree with this outcome and therefore the case has been passed to me for 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.

I don't think Revolut could reasonably be expected to have prevented the payments Mr M says he lost to a scam. This is because at the time generally, banks were expected to process payments a customer authorised it to make. And under The Payment Services Regulations and terms and conditions of the account, Mr M is presumed liable for the loss in the first instance, in circumstances where he authorised the payment. 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.

This was a new account, so Revolut did not have the benefit of Mr M's typical account usage to determine what was and wasn't an unusual transaction. But the amounts of the transactions themselves were not enough, I believe, to have reasonably made Revolut intervene and to get in touch with Mr M to check everything was in order. And in this case, I don't think where the payments were headed ought to have automatically triggered Revolut's attention.

This means that as Revolut didn't interact with Mr M at the time of the payments – and I've concluded that I can't reasonably say Revolut ought to have been *obliged* to have gotten in

touch with Mr M about them – I'm satisfied Revolut didn't unreasonably miss an opportunity to prevent the payments before they were sent.

After the payments were made, I wouldn't reasonably expect Revolut to have done anything further until Mr M notified it he'd been scammed. Then, because this was a debit card payment, the only recourse for potential recovery of the payments would be via the chargeback scheme.

Revolut raised a chargeback for Mr M which it seems was either unsuccessful or was not completely pursued. Either way though I don't think that there was any reasonable chance of a chargeback being successful as Binance ultimately provided Mr M with the service he paid for which was the purchase of crypto.

That said though it is clear that there were delays in Revolut's handling of this matter and therefore I agree with the investigator that £100 compensation is appropriate given the overall circumstances of this complaint.

My final decision

For the reasons I've explained, I partially uphold this complaint and require Revolut Ltd to pay Mr M £100.

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

Charlie Newton
Ombudsman