

## The complaint

Mr T 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 and has been laid out in detail by our Investigator, 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 February 2022, Mr T was contacted by somebody claiming to be from HMRC who told him that he had an outstanding tax bill. The caller persuaded Mr T to send nine payments, totalling £7,099, in order to avoid potential prosecution and imprisonment. But unknown to Mr T at the time, he was speaking to a fraudster and had sent money to accounts the fraudsters controlled.

A breakdown of the payments Mr T sent from his Revolut account is detailed below;

26 February 2022 @ 11:03	£1,000
26 February 2022 @ 11:13	£800
26 February 2022 @ 11:21	£500
26 February 2022 @ 11:57	£700
26 February 2022 @ 11:58	£300
26 February 2022 @ 12:11	£900
26 February 2022 @ 13:16	£1,000
26 February 2022 @ 14:11	£1,000
26 February 2022 @ 14:17	£899

\*To fund the payments Mr T used some of his own funds, but also funds that he'd borrowed from family and friends.

Mr T soon realised he'd been scammed and raised the matter with Revolut, just over an hour after the last payment had been made. Revolut looked into things and issued its final response on 16 March 2022. In summary it said it was sorry that these events had happened to Mr T, but it didn't uphold his complaint. It said it had provided warnings to Mr T before he'd made the payments. It added that it had tried to recover the money lost from the beneficiary banks (the banks to which the payments were made), but unfortunately it wasn't able to recover any money.

Unhappy with Revolut's response, Mr T 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 didn't think Revolut's warnings had gone far enough. He considered that at the point Mr T was making the sixth payment, for £900, there was enough going on that Revolut ought to have contacted Mr T before allowing the payments to be progressed.

But it was our Investigator's view that, even if Revolut had intervened further, this wouldn't have made a difference. He explained this was because he thought Mr T truly believed he

was in the midst of a court case and under investigation by HMRC. Given this and considering the fraudsters had told Mr T not to discuss the events with anybody, our Investigator thought it unlikely he would have told Revolut that the payments were for outstanding tax arrears. Our Investigator added that he thought this was supported by messages Mr T had shared, that he'd exchanged with his father, where he didn't reveal the nature of what was going on to his father, despite his father raising concerns.

As Mr T 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 T 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 T's losses if it can fairly and reasonably be held responsible for them.

Where Mr T authorised the transactions, it means that Revolut was obliged 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, 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.

For example, if a customer made a payment request for an amount that was out of character given the normal use of an account, I'd expect Revolut to intervene and ask questions about the intended transaction before processing it and provide a suitable warning.

It's not for this service to dictate how Revolut configures its fraud protection systems. It does have a difficult balance to strike in how it does this to enable it 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 payment provider 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.

Our Investigator concluded Revolut should have intervened at the point Mr T was making his sixth payment. I agree with our Investigator, in that Revolut could have intervened more than it did and possibly sooner.

But this in and of itself, isn't enough for me to say that Revolut should refund Mr T the money he lost. The crux of this complaint centres on whether any intervention would have made a difference, so I also need to be persuaded that sufficient intervention would have made a difference and prevented the payments from being made. Of course, I can't know for sure what would have happened had Revolut probed Mr T further about these payments. So, I have to base my findings on the balance of probabilities – that is, what I think is more likely than not to have happened, taking into account what I know. Having thought carefully about this, sadly I don't think any further intervention at this point is more likely than not to have made a difference.

This was a particularly cruel and sophisticated scam, where the fraudsters were able to convince Mr T that he was genuinely taking part in court proceedings and that he was at risk of prosecution and imprisonment. The fraudsters had gained access to Mr T's phone, by

remote access software and given names that matched up with genuine civil service workers. I can also understand how things would have seemed all the more plausible to Mr T, given he had genuinely been communicating with HMRC about his tax affairs just days before.

The fraudsters applied pressure on Mr T, which included instructing him not to discuss events with anybody – going as far as to tell him what he could and couldn't say to his family and friends (from whom he was borrowing money to fund the payments he went on to make). Mr T has shared details of messages he exchanged with his father. I think it is clear from these that Mr T is following the fraudsters instructions, in not divulging details about what he is being asked to do. On a number of occasions Mr T explains to his father that he cannot call him and is not able to tell him why he needs to borrow money.

When considering the circumstances of this complaint, on balance, I think its more likely than not, that even if Revolut had probed further I don't think Mr T would likely have divulged what the real purpose of the payments were. And given Mr T had moved passed previous warnings Revolut had given and that Mr T was convinced he was dealing with HMRC and court officials, I'm not persuaded any proportionate warning Revolut could reasonably have given at this point would likely have prevented Mr T from going ahead with the payments.

Finally, I've considered whether Revolut did all it could to try and recover the money Mr T had lost from the beneficiary banks, once he had reported the scam to it. From the evidence I've seen, Revolut did contact the beneficiary banks when he raised the matter, but unfortunately no funds remained. So I think Revolut has done what could reasonably have been expected of it to try to recover the money.

It's very unfortunate Mr T has lost this money in this way, to what was a callous scam 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 T from losing his money.

### **My final decision**

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T to accept or reject my decision before 15 September 2023.

Stephen Wise  
**Ombudsman**