

## **The complaint**

Miss A complains that Revolut Ltd won't refund the money she lost when she was the victim of a scam.

## **What happened**

In September 2022, Miss A received a phone call from someone who said they worked for a well-known online marketplace and asked her if she had tried to make a payment to purchase a mobile phone. Miss A said she hadn't, so the caller said it was likely attempted fraud and they would transfer the call to someone who could help her with it. The second person Miss A spoke to then asked her to download software onto her phone and make a payment of £1,249 out of her Revolut account, which she did. Unfortunately we now know the callers were scammers.

The scammers told Miss A the payment wouldn't go through and would just bounce back to her account, but it did go through so Miss A called Revolut to report the payment as a scam and ask it to refund the money she had lost.

Revolut investigated but said it had warned Miss A about the risk of scams before she made the payment and had followed her instructions to make the payment. It also said it had contacted the bank that received the payment to see if it could be recovered, but was told there were no funds left. So it didn't agree to refund the money Miss A had lost. Miss A wasn't satisfied with Revolut's response, so referred a complaint to our service.

One of our investigators looked at the complaint. They said they didn't think the payment was unusual enough that Revolut should have stopped it or asked any further questions before allowing it to go through. And they thought Revolut had done all we'd expect to try to recover the funds. So they didn't think Revolut should have to refund the money Miss A had lost. Miss A disagreed with our investigator, so the complaint has been passed 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.

Having done so, I don't think it would be fair to require Revolut to refund the money Miss A has lost. I'll explain why below.

In deciding what's fair and reasonable in all the circumstances of a complaint, I'm required to take into account relevant: law and regulations; regulators' rules, guidance and standards; codes of practice; and, where appropriate, what I consider to be good industry practice at the time.

In broad terms, the starting position in law is that an account provider is expected to process payments and withdrawals that a customer authorises it to make, in accordance with the terms and conditions of the customer's account. And a customer will then be responsible for those transactions that they have authorised.

It's not in dispute here that Miss A authorised the payments. She accepts she made them herself on her mobile phone, as instructed to by the scammers. So while I recognise that she didn't intend the money to go to scammers and was told the payment wouldn't go through or would be returned to her, the starting position in law is that Revolut was obliged to follow her instructions and process the payment. So Miss A isn't automatically entitled to a refund.

The regulatory landscape, along with good industry practice, also sets out a requirement for account providers to protect their customers from fraud and financial harm. And this includes monitoring accounts to look out for activity that might suggest a customer was at risk of financial harm, intervening in unusual or out of character transactions and trying to prevent customers falling victims to scams. So I've also thought about whether Revolut did enough to try to keep Miss A's account safe.

But the payment wasn't for what I'd consider to be a particularly large amount, or for an amount that was significantly larger than other payments made out of Miss A's account in the previous months. And the payment didn't use up the full available balance in the account or leave the balance of the account at a particularly unusual level.

So I think it's reasonable that Revolut didn't identify that Miss A could be at risk of financial harm as a result of this payment, and didn't intervene to ask any further questions before allowing it to go through.

I've also considered whether Revolut did enough to try to recover the money Miss A lost, once it had been told about the scam. We'd expect a business to take reasonable steps to try to recover the money from the bank it was sent to. But Revolut's records show it contacted the bank the money was sent to. And the bank the money was sent to has told us the funds were removed again almost immediately. So I don't think anything we would reasonably expect Revolut to have done could have recovered the money Miss A lost.

I sympathise with the position Miss A has found herself in. She has been the victim of a cruel scam and I appreciate that my decision will come as a disappointment to her. But, for the reasons I've set out above, I don't think Revolut has acted unreasonably or that anything I would reasonably have expected it to do would have prevented this scam. So I don't think it would be fair to require Revolut to refund the money Miss A has lost.

## **My final decision**

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss A to accept or reject my decision before 11 August 2023.

Alan Millward

**Ombudsman**