

The complaint

Mr P complains that Revolut Ltd didn't do enough to prevent him losing money to a scam.

Mr P has used a representative to bring his complaint. But for ease of reading, I'll mostly only refer to Mr P and will ascribe the representative's comments to him.

What happened

The detailed background to this complaint is well known to both parties. So, I'll only provide a brief overview of some of the key events here. In 2022 Mr P sadly fell victim to a scam – at the time he believed he was investing with a genuine firm. As a result of the scam, Mr P took a loan with a lender I'll refer to as Z. This was paid into his account with his own bank 'L'. From there Mr P transferred £16,000 from his account with L to his Revolut account. Mr P then used his Revolut debit card to purchase cryptocurrency through a legitimate exchange 'B'. Revolut processed this payment without taking any further steps beyond the 3DS authorisation process.

When Mr P took out further lending with L, they called him into branch and ultimately invoked the Banking Protocol. This meant Mr P spoke to the Police and the scam was discovered. Mr P later complained to Revolut. He says they didn't do enough to protect him or warn against scams and that they failed to promptly action a chargeback for his payment to B.

Revolut didn't agree they'd done anything wrong and the complaint was considered by our service. One of our Investigators didn't recommend it should be upheld. In summary she thought Revolut ought to have intervened in Mr P's £16,000 payment to B, but she wasn't persuaded that this would have made a difference to him continuing with the payment. Mr P disagrees and has asked for an Ombudsman to review his complaint.

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've reached the same outcome as our Investigator and for similar reasons. I know this will be disappointing for Mr P, so I'll explain why.

Mr P has said that screensharing software was downloaded which allowed the scammers to 'help' him. But he doesn't dispute authorising the payment to B which forms the basis of his complaint. I'm not going to make a finding as to whether Revolut ought to have intervened in Mr P's £16,000 debit card payment to B. I don't need to do so to fairly decide this complaint.

Revolut are an Authorised Electronic Money Institution (EMI) and not a bank. As such their accounts might be used differently compared to a more traditional bank account. And whilst Revolut still owe their customers a duty of care, they don't have all the same obligations that

a bank would to intervene in unusual or out of character transactions to try to prevent customers falling victim to scams.

The position here is that either Revolut didn't need to intervene, in which case they did nothing wrong in processing Mr P's payment instruction unchallenged. Or, even if I were to find that they ought to have intervened, I agree with our Investigator that the level of intervention that reasonably could have been expected, wouldn't have resulted in the discovery of the scam or Mr P not making the payment.

When L intervened in Mr P's account, he initially told them that he was making the payment to his Revolut account to be sent on to a family member due to a personal emergency. L didn't accept this and required Mr P to attend a branch where he was questioned in more detail and ultimately the Police were called as a result of L following the Banking Protocol. It was upon the involvement of the Police that Mr P realised he'd been the victim of a scam.

Mr P also said in his own submissions that he was coached by the scammer as to what to say. And in one of the emails he's provided between him and the scammer he said: *"I am finding this whole process too stressful, having to concoct stories to loan companies, the bank and worst of all to the police."*

I accept that the in-branch interaction with L and the involvement of the Police took place after Mr P had made the £16,000 debit card payment. But if Revolut had stopped and challenged this payment, I think Mr P would have similarly not been truthful as to the reason for it. It was clear that at this stage Mr P was prepared to follow the instructions of the scammer and to tell regulated firms what they needed to hear to facilitate lending and or payments being made.

Mr P says he was feeling under stress when lying to L and I think it's likely his testimony didn't stand up to scrutiny in part for that reason. But it's a lot easier to maintain a lie via an online chat rather than an in-branch interaction with the addition of all the non-verbal communication that would have gone along with what Mr P was saying.

In the event of an interaction about the payment, I'd still have expected Revolut to have asked probing questions designed to try to unearth a potential scam and to have given appropriate warnings. I'm just not persuaded that, in the circumstances of this complaint, this would have made a difference. I think Mr P would have lied to Revolut and would have been able to reassure them that he wasn't in the process of being scammed. The evidence is persuasive that a phone call from L was insufficient to discover the scam or alter Mr P's decision.

I understand the argument Mr P has presented which is that if L's actions put him on the path to discovering the scam, then why couldn't Revolut have done the same? But as I've mentioned before, Revolut are an EMI and not a bank. And Revolut calling Mr P into a branch and invoking the Banking Protocol leading to the involvement of the Police (which is what it took to finally unearth the scam), wouldn't have been an option for them.

Once the payment had already been made, the only potential avenue for recovery would have been the chargeback scheme. The payment in question took place on 12 May 2022 and Revolut say that by the time Mr P contacted them it was too late to raise a chargeback. B are a legitimate cryptocurrency exchange and there is no suggestion that they didn't do what was asked of them (convert the funds to cryptocurrency and send it on as instructed). The evidence Mr P has provided from B supports that this took place on the same day as his payment. So irrespective of any time limits, I don't think there was ever going to be a valid option for recovery through the chargeback scheme. So, anything Revolut did or didn't do won't have impacted this.

Mr P has also said he was vulnerable at the time of the payment. But I can't see that Revolut reasonably could have been aware of this. And I'm not persuaded that Mr P should automatically have been considered vulnerable solely on the basis of his age (which was in his early 70's at the time). I'm sorry to hear of the difficulties Mr P has experienced with regards to his health and in dealing with the impact of being the victim of a cruel scam. But I'm not persuaded, in the circumstances of this complaint, that this can fairly be used as a reason to direct Revolut they need to do more.

Despite my natural sympathy for Mr P, even if I were to expect Revolut to have intervened in his payment to B. I'm not persuaded this would have resulted in either the scam being discovered or Mr P deciding not to continue. And I don't think there were any other failings by Revolut where it would be fair and reasonable to require them to make a payment.

My final decision

For the reasons outlined above, 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 P to accept or reject my decision before 16 May 2023.

Richard Annandale
Ombudsman