

## The complaint

Mr M complains Revolut Ltd won't refund the money he lost when he fell victim to a scam.

## What happened

- Mr M fell victim to an investment scam. Generally, money was transferred between Mr M's account with another bank and his Revolut account before card payments were made to top up a newly opened Binance account in his name. This was originally for investing, but then he was told he needed to 'prove liquidity' to withdraw his investment.
- As part of the scam, fraudsters remotely access one of Mr M's devices. They also applied for a £25,000 loan in his name with his other bank. This was used to facilitate the final two payments and has since been written off.
- Mr M raised the scam payments with Revolut, who declined to refund him. Unhappy, he brought his concerns to our service to investigate.
- I've included below the details of the relevant payments to Binance:

Date	Amount
08 June 2022	£2,000
14 June 2022	£9,000.00
23 June 2022	£16,000.00
24 June 2022	£26,999.00
24 June 2022	£4,490

- On 12 April 2023, I reached a provisional decision which upheld Mr M's complaint in part. In summary, I was satisfied the payments could fairly be regarded as authorised. But I thought that Revolut should've been concerned from the third payment and that an intervention would've likely prevented further losses. I thought Mr M was partly to blame, so I awarded his 50% of his remaining losses from this point.
- Revolut didn't have anything further to add. Mr M replied with further comments. In summary:
  - He'd only got Revolut on his phone and transactions were approved using biometrics – it wasn't on his desktop.
  - He approved the first two transactions. He then transferred £16,000 to Revolut, but it was transferred without his approval to Binance. After this, he cut ties with his 'trader'.
  - He let the loan proceed as he needed it to pay rent.

- He always believed his funds with Binance were safe and secure, as he'd two step verification set up and he never logged on when they'd remote access software.
- He realised something was wrong and changed his password with Nationwide and used his card reader to log in. And he didn't approve the use of remote access on 24 June 2022. But he still thought that his funds with Binance were safe and he just needed to investigate how to withdraw them. ]

### **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've considered Mr M's response carefully. But it's not changed my mind about what's a fair outcome to this complaint. I'll respond to what I think are the key points:

Mr M responded to say he only approved the first two payments to Binance, for £2,000 and £9,000. But I'm mindful that his account of what happened hasn't been clear. For example, in some reports – both to us and Revolut – he's said all the money that was moved from his Revolut account to his Binance account happened without his involvement. In response to our investigator's view, he's focussed on how the final two transactions from 24 June 2022 weren't authorised. Indeed, I note they're what led to him contacting Revolut to say he'd been scammed.

This leads me to think that these transactions were consistently happening without him completing all the steps to make them. But Mr M either wanted or at least accepted this at first. And that it was from 24 June 2022 that the situation escalated.

As I explained in my provisional findings, I do accept that Mr M didn't want all of these payments to happen. But that's not what determines whether these are regarded as authorised transactions. And here, given that it seems money was moved without his involvement, perhaps from the outset, it remains that I'm persuaded that Mr M at least understood, or ought reasonably to have understood, that he'd give someone else the means to make payments from his Revolut account.

So, I've not changed my mind that it was fair for Revolut to conclude these were authorised payments.

I've also considered Mr M's comments where they relate to whether he should share the blame for his losses – in other words, his contributory negligence. He's explained why he let the loan proceed and that he thought his money was safe with Binance. And that he didn't use remote access on 24 June 2022.

But it remains that given the fraudsters behaviour and the involvement of his Revolut account, I consider he ought reasonably to have taken steps to keep this account safe – for example, by contacting Revolut. And while he's said he thought his money with Binance was safe, I've noted from the transaction history for this account that withdrawals were made out of the account on the same day that money was transferred in. Equally, Mr M's summary of events (that was submitted when he first contacted us) said that the person he spoke with from 21 to 24 June 2022 did use AnyDesk and looked at his Binance account. So, taking this all into account, I'm not persuaded that Mr M's actions were as I'd expect of a reasonable person.

It follows that I've not changed my mind that Mr M should share the blame here. That means

my final decision is the same as my provisional findings. For completeness, I've included these again below.

- In line with the Payment Services Regulations 2017 (PSRs), the starting position is that Mr M is liable for authorised payments and Revolut is liable for unauthorised payments. It's accepted the first three payments to Binance were authorised. But Mr M says the final two payments made on 24 June 2022 – for £26,999 and £4,490 respectively – were made without his knowledge and consent.
- Broadly, the PSRs explain that authorisation depends on whether Mr M went through the agreed steps to make the payments. It's also possible for him to give someone else permission to make the payments on his behalf.
- I accept Mr M may not have gone through the steps himself to make these last two payments. But at this point, I'm satisfied he had shared enough information with the fraudsters that meant they were able to make card payments to Binance on his behalf. And I'm persuaded that he understood they'd the means to do this – after all, it doesn't seem he was always involved with making the first three payments, but he's not complained these were unauthorised.
- I've also not seen that Mr M did anything to remove their apparent authority to act on his behalf, such as taking steps to remove the means for them to make payments. For example, by cancelling his card.
- In saying this, I appreciate Mr M may not have wanted nor expected the fraudsters to make the last payments. But it remains that I think most people would have understood and indeed, I think Mr M did have an understanding, that his actions meant someone else could authorise payments from his account. So I think Revolut has acted fairly in treating them as authorised payments.
- While the starting position is that Mr M is liable for authorised payments, I've also considered whether Revolut ought reasonably to have prevented his losses. There are some situations where we believe that e-money institutions ought to have identified a fraud risk, so should have looked at the wider circumstances surrounding the transaction before making the payment.
- Having reviewed how Mr M used his account, I think Revolut ought to have realised he was at risk from fraud when the third payment was attempted to Binance for £16,000. While he'd made one large payment in the previous 12 months, I don't think this was characteristic of how he generally used his account, which was usually for regular, lower value payments. And, at this stage, Mr M would've been sending £27,000 within two weeks to a cryptocurrency platform – making both the value and nature of this payment very unusual for him.
- Our investigator didn't think Mr M would've been put off if Revolut had warned him this could be scam. I disagree. With appropriate questioning, I think it would've come to light that this large payment was connected to withdrawing money from his investment. Furthermore, that fraudsters had been using remote access software and had taken out a loan in his name without his full understanding. These are clear signs he was being scammed. And had Revolut warned him, I think it's likely he would've stopped talking with the fraudsters and taken steps to protect himself from further losses.
- In saying this, I accept Mr M already had some concerns with the fraudsters when they made this third payment, as they'd applied for a loan in his name without his full

understanding. But I don't think his concerns with these actions is the same as a realisation that he was being scammed, which was being taken further by his attempts to remove a fictitious investment.

- Taking this all into account, I'm satisfied that had Revolut intervened appropriately, it's unlikely Mr M would've made the remaining three payments totalling £47,489. These payments were facilitated by a £25,000 loan the fraudsters applied for that's since been written off by the lender. That leaves losses that I consider Revolut could've prevented of £22,489.
- I've gone on to consider whether Mr M should fairly share some blame for these losses. The starting point for contributory negligence is considering what a reasonable person would be expected to have done in the circumstances – and whether Mr M's actions fell below that.
- Here, I think he ought to have been concerned when they took out a loan out in his name without his permission. Indeed, it seems he was. But I don't think he acted on this as I'd expect a reasonable person to. For example, I've not seen he carried out more research into the legitimacy of who he was dealing with or more generally on how to stay safe from investment scams. Instead, he let the loan go ahead and he carried on his communication with the fraudsters, which involved remote access to his device. Taking this into account, I'm satisfied a 50% deduction is fair to reflect Mr M's contributory negligence.
- Revolut has already paid Mr M £2,000 as a gesture of its goodwill for what happened. I understand that nothing else has been recovered or returned to Mr M. So that leaves an award of £9,244.50
- Mr M has been out of pocket for this sum for some time. So I also award 8% simple interest per year on this amount from 23 June 2022, when the payment for £16,000 was made, to the date of settlement.

### **My final decision**

For the reasons I've explained, I uphold Mr M's complaint. Revolut Ltd must:

- Pay Mr M 50% of his remaining losses from the three fraudulent payments for £16,000.00, £26,999.00 and £4,490.00. I understand this to be £9,244.50.
- Pay 8% simple interest per year on this amount from 23 June 2022 to the date of the settlement, less any tax lawfully deductible.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 12 June 2023.

Emma Szkolar  
**Ombudsman**