

The complaint

Mrs N complains that Revolut Ltd (Revolut) has refused to refund the money she lost falling victim to a scam.

Mrs N is being represented by a third party. To keep things simple, I will refer to Mrs N throughout my decision.

What happened

The background of this complaint is well known to all parties, so I won't repeat what happened in detail.

In summary, Mrs N found an investment opportunity advertised on Facebook for Prime Coin (X). It explained that Mrs N could start investing with low initial deposits which she found in appealing.

Mrs N carried out some online research about X before having a call with it where it took Mrs N's personal information and found out what she was willing to invest.

Mrs N was then contacted again by X and it explained the investment process to her. X appeared to be very professional and knowledgeable about the investment, and persuaded Mrs N to make further investments with it.

Mrs N downloaded the screen sharing application AnyDesk on her mobile device as directed by X to complete trades. She also opened a Revolut account, and she was able to see her trading account with X in real time. She could see she was making a profit.

Mrs N made the following payments from her Revolut account to X via the cryptocurrency exchange (Binance) using the Skrill payment system:

<u>Date</u>	<u>Payee</u>	<u>Amount</u>	<u>Payment Method</u>
7 July 2022	Skrill Ltd	£7,500	Transfer
12 July 2022	Skrill Ltd	£11,400	Transfer
14 July 2022	Skrill Ltd	£10,300	Transfer

Mrs N realised she had been scammed when X stopped communicating with her and she was unable to make a withdrawal from her investment account.

Mrs N has been unable to recover the funds she lost to the scam.

Our Investigator considered Mrs N's complaint but didn't think it should be upheld. As Mrs N disagreed this complaint has been passed to me to decide.

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.

It has not been disputed that Mrs N has fallen victim to a cruel scam. The evidence provided by both Mrs N and Revolut sets out what happened. What is in dispute is whether Revolut should refund the money Mrs N lost due to the scam.

Recovering the payments Mrs N made

Mrs N made the payments into the scam via the method of transfer. When a payment is made in this way Revolut has limited options available to it to recover the funds. From the information provided by Revolut I can see that it did contact the business Mrs N made the payments to to recover them, but the funds had unfortunately already been moved on.

So, I am satisfied Revolut was unable to recover the payments Mrs N sent.

I have also considered if Mrs N should have received a refund under the Contingent Reimbursement Model (CRM) code. But the CRM code only applies when domestic payments (as the result of a scam) are sent to another person. Here Mrs N sent the payments to an account held in her own name and the scam occurred when the funds were moved from that account to the scammer. I'm satisfied the CRM Code wouldn't apply in this scenario.

Should Revolut have prevented the payments Mrs N made?

Mrs N has accepted she authorised the payments she made from her Revolut account, so the starting point here is that Mrs N is responsible. However, banks and other Payment Services Providers (PSPs) do have a duty to protect against the risk of financial loss due to fraud and/or to undertake due diligence on large transactions to guard against money laundering.

The question here is whether Revolut should have stepped in when Mrs N was attempting to make the payments, and if it had, would it have been able to prevent the scam taking place.

The account Mrs N made the payments from was a new account which had no payment history to compare Mrs N's usual spending habits with. But considering the size of the payments Mrs N made I think it would have been reasonable for Revolut to step in and question Mrs N about the payments. But I don't think this would have made a difference. I'll explain why.

Mrs N has confirmed that X coached her about what to say about the payments to Revolut had they asked, helping her to disguise what the payments were for. Mrs N also opened her Revolut account giving the reason for the account to be "spend or save daily" which wasn't accurate.

Despite being coached by X to mislead Revolut Mrs N continued to make the payments as directed. So, I think X had built up a high level of trust with Mrs N whereby she trusted it over Revolut and I think she was likely to give misleading answers to Revolut had it asked her what the payments she was making was for.

The payments also showed as being paid to Skrill. Skrill offer other services unrelated to cryptocurrency so this would have disguised the payments further.

I think it's unlikely that had Revolut stepped in and asked Mrs N about the payments it would have been able to uncover the scam and prevent it from progressing. So, Revolut is not responsible for Mrs N's loss.

Mrs N has explained that she was vulnerable at the time of the scam. A close family member was very ill and later passed away. While I sympathise with the circumstances Mrs N found herself in, I don't have enough to say she couldn't make daily decisions. So, this doesn't change my decision.

My final decision

I don't uphold this complaint

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs N to accept or reject my decision before 18 August 2023.

Terry Woodham
Ombudsman