

The complaint

Mrs G complains that Revolut Ltd (“Revolut”) didn’t do enough to protect her when she fell victim to a scam.

What happened

The details of this complaint are well known to both parties, so I won’t repeat them again here. The facts are not in dispute, so I’ll focus on giving the reasons for my 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.

Having done so, while I’m sorry that Mrs G has been the victim of a cruel scam, I agree with the conclusions reached by the investigator broadly for the same reasons:

- It’s not in dispute that the funds were lost to a scam. It’s also not in dispute that Mrs G authorised the payments from her new Revolut account. So, the starting position – in line with the Payment Services Regulations 2017 – is that she’s liable for the transactions - even though she was the victim of a scam.
- However, there are circumstances where it might be appropriate for Revolut, as an electronic money institute (EMI), to take additional steps or make additional checks before processing a payment to help protect its customers from the possibility of financial harm from fraud. And this might be where payments are significantly unusual or uncharacteristic when compared with the normal use of the account. In such circumstances, it might be reasonable to expect Revolut to intervene and ask some questions about the intended transaction before processing.
- In this case, Mrs G had only recently set up the account, and there wasn’t much activity on the account. She has selected spend or save money as the main purpose of opening the account. So, this payment wouldn’t have appeared unusual or uncharacteristic to Revolut, as it had no prior knowledge of the way Mrs G usually transacted.
- I’ve next thought about the amount itself - £4,500 followed by £5,500. This is a substantial amount to Mrs G. But I don’t consider it to be significant enough to have stood out to Revolut to the extent it should have prompted further checks than it did (such as intervening) before the payment was made. And I note that it’s not uncommon for accounts to be opened with EMIs in order to make larger transfers than they would with other financial institutions.

- Revolut did stop the payment and ask Mrs G further questions via on the online chat before processing it – which I think was proportionate in the circumstances. Mrs G answered ‘No’ to two questions which it now seems she reasonably ought to have answered ‘Yes’ to. I appreciate she may have been told to do so by the scammer, but this made it much harder for Revolut to identify she was at risk of financial harm and Revolut can only reasonably give warnings based on the scam risk it identifies.
- Overall, I don’t think there was anything more that Revolut should have done and the transactions didn’t appear inherently suspicious at the time based on what it knew. EMIs are often used differently to traditional current accounts with a bank. So, I don’t think Revolut should have identified the payment as suspicious enough to warrant further checks - particularly as the payment was made to a legitimate cryptocurrency provider.
- I’ve also thought about whether Revolut could have done more to help Mrs G to recover the funds once it was made aware of the scam, but I don’t think it could as the payment went to a legitimate cryptocurrency provider which carried out the service it was required to. So, I don’t think Revolut could reasonably have done more to recover the funds.

I note Mrs G’s representative has suggested Revolut would have known Mrs G’s device was being controlled by a remote desktop application and this should have caused it concern. But Revolut says it would not know if a remote access application was being used and it does not capture this type of information.

So, while I’m very sorry about Mrs G’s loss, I don’t think it was caused by a failing on Revolut’s part.

My final decision

For the reasons given above, I don’t uphold this complaint against Revolut Ltd.

Under the rules of the Financial Ombudsman Service, I’m required to ask Mrs G to accept or reject my decision before 7 September 2023.

Kathryn Milne
Ombudsman