

The complaint

Mr S complains about Revolut Ltd.

He says that Revolut didn't do enough to protect him when he became the victim of a scam and would like Revolut to refund him the money he has lost as a result.

What happened

In May 2022, Mr S received a message via Telegram from an individual offering investment opportunity in Cryptocurrency through a company called Asset Digital Limited.

Initially, Mr S wasn't interested in making an investment, but they continued talking and developed a romantic relationship, and discussed meeting up.

However, eventually Mr S was persuaded to invest, and made several payments to the supposed investment as listed below.

Date	Payee	Payment type	Amount
15/09/2022	Coinbase	Card	£1,030
24/09/2022	Binance	Card	£800
15/10/2022	Binance	Card	£3,000
01/11/2022	Binance	Card	£5,000
02/11/2022	Binance	Card	£1,070
26/11/2022	Binance	Card	£4,600
12/01/2022	Binance	Card	£530
02/02/2023	Binance	Card	£2,525.21
02/02/2023	Binance	Card	£12.24
		Total	£18,567.45

Unfortunately, Mr S had been the victim of a scam.

Mr S complained to Revolut, but it didn't uphold his complaint.

Mr S then brought his complaint to this Service. Our Investigator looked into things but didn't think that the complaint should be upheld. They said that they weren't persuaded that the transactions were unusual enough for Revolut to have completed extra checks before processing them. They also said that even if Revolut *had* intervened, that this wouldn't have prevented Mr S's loss.

Mr S asked for an Ombudsman to make a final decision, so it 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.

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 having been good industry practice at the time.

In broad terms, the starting position at law is that Banks, Electronic Money Institutions (EMI's) and other payment service providers are expected to process payments and withdrawals that a customer authorises it to make, in accordance with the Payment Services Regulations (PSR's) and the terms and conditions of the customer's account.

Mr S authorised the payments in question here – so even though he was tricked into doing so and didn't intend for his money to end up in the hands of a scammer, he is presumed liable in the first instance.

But this isn't the end of the story. As a matter of good industry practice, Revolut should also have taken proactive steps to identify and help prevent transactions – particularly unusual or uncharacteristic transactions – that could involve fraud or be the result of a scam. However, there is a balance to be struck: banks had (and have) obligations to be alert to fraud and scams and to act in their customers' best interests, but they can't reasonably be involved in every transaction

Taking into account the law, regulator's rules and guidance, relevant codes of practice and what I consider having been good industry practice at the time, I consider Revolut should fairly and reasonably:

- Have been monitoring accounts and any payments made or received to counter various risks, including anti-money laundering, countering the financing of terrorism, and preventing fraud and scams.
- Have had systems in place to look out for unusual transactions or other signs that might indicate that its customers were at risk of fraud (among other things). This is particularly so given the increase in sophisticated fraud and scams in recent years, which banks are generally more familiar with than the average customer.
- In some circumstances, irrespective of the payment channel used, have taken additional steps, or made additional checks, before processing a payment, or in some cases declined to make a payment altogether, to help protect customers from the possibility of financial harm from fraud.

In this case, I need to decide whether Revolut acted fairly and reasonably in its dealings with Mr S when he authorised payments from his account or whether it could and should have done more before processing them.

Having considered the payments that Mr S has made, I do think that there could be an argument that Revolut should have provided Mr S with a warning about potential scam risks when he made the payment of £5,000 on 1 November 2022.

However, in order for me to uphold his complaint, I would also have to find that Mr S would have paid attention to such a warning had Revolut provided one, and I don't think that he would.

I say this because Mr S told us that his main bank, TSB, blocked a payment on 29 September 2022 that Mr S making to fund his account with Revolut, and questioned him about what he was doing.

TSB has explained that it was particularly concerned as Mr S had recently been the victim of a romance scam which it has already looked into and refunded him the money he had lost and wanted to protect him from further financial harm. TSB invoked protocol and the police

became involved – but Mr S didn't divulge that he was investing in crypto, and he didn't let on that anyone else was involved either.

So, I'm not persuaded that a further intervention from Revolut would have had any effect on the choices Mr S made given he had already withheld information from the police, and I don't think that it could have prevented his loss.

I'm very sorry that Mr S has lost a great deal of money – and I understand that he has been the victim of a scam. But his losses have been caused by the scammer – and not Revolut.

My final decision

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 2 April 2024.

Claire Pugh
Ombudsman