

The complaint

Miss C complains that Revolut Ltd won't refund the money she lost after she fell victim to a scam.

Miss C is being professionally represented but for ease I'll refer to Miss C throughout.

What happened

In June 2022, Miss C made numerous payments totalling £4,775 towards what she believed to be an employment/investment opportunity.

I think it important to note that Miss C has brought other complaints to this service. One that considered another payment she'd made early in June 2022 as part of a similar scam against Revolut. And the other case brought to our service, was about payments made between April and June 2022 against another Electronic Money Institution (EMI). A final decision has already been issued on that case. So for clarity, in this decision, I am only making a finding on the payments Miss C made on 28 and 29 June 2022 as part of the scam.

Miss C realised she'd fallen victim to a scam when she was instructed to continue to top up (make payments) and was asked to pay a withdrawal fee in order to receive her money. Miss C contacted Revolut on 29 June 2022 to report the fraud. Revolut says that after Miss C provided some information she stopped responding. Miss C's representatives raised a complaint with Revolut, detailing six scam payments between 28 and 29 June 2022 in early July 2022.

Revolut having looked into Miss C's fraud claim said as she'd willingly made and authorised the payments, and as the payments were made to an account Miss C held in her own name, it wasn't liable for the money she'd lost.

Miss C was unhappy with Revolut's response and referred the complaint to this service. One of our Investigator's looked into the matter and didn't uphold the complaint.

Miss C didn't agree with our Investigator's view. Our Investigator considered Miss C's further comments, however, her view remained unchanged. As no agreement could be reached, the complaint has now been passed to me for a final 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.

I'm sorry to hear Miss C was the victim of a scam and I can understand why she wants to do all she can to recover the money she's lost.

The key questions to consider here are whether Revolut should have recognised Miss C's payments on 28 and 29 June 2022 as being suspicious and intervened - and whether it did enough once aware of the fraud to recover her funds.

Having considered whether Revolut could, or should, have done more to stop Miss C making the payments she did, I don't think I can fairly or reasonably ask Revolut to take responsibility for the money Miss C has lost. I understand this will be a very disappointing outcome for Miss C, so I'll explain why.

In broad terms, the starting position at law is that a bank and other payment service providers (PSPs) are expected to process payments and withdrawals that a customer authorises it to make, in accordance with the Payment Services Regulations and the terms and conditions of the customer's account. Although the money was not intended to go to a fraudster, Miss C is presumed liable for the loss in the first instance.

But taking into account the law, regulatory rules and guidance, relevant codes of practice and good industry standards, 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 in order to help protect its customer from the possibility of financial harm from fraud.

Revolut has a difficult balance to strike in how it configures its systems to detect unusual activity or activity that might otherwise indicate a higher than usual risk of fraud. There is a delicate balance to be struck. There are many millions of payments made each day and it would not be possible or reasonable to expect a payment service provider to check each one. And, in situations where Revolut does intervene, I would expect that intervention to be proportionate to the circumstances of the payment.

Revolut say the payments in question were in line with the account activity and didn't flag on its fraud prevention system. Based on everything I've seen and been told, I don't consider Revolut acted unfairly or unreasonably in allowing the payments to be made. When thinking about the payments Miss C made, I don't consider these to be so out of character to previous account activity that they ought to fairly and reasonably have caused Revolut concern. Although, I recognise Miss C will not agree on this point.

Miss C's Revolut account was opened on 9 May 2022. Looking at the previous account activity, I can see Miss C had made payments to the same payee – an account in her name with another EMI, prior to the payments on 28 and 29 June 2022. So, at the time of these scam payments, Miss C was making payments to an existing payee – one she'd made numerous payments to before. When looking at the payments made, these are not too dissimilar or out of character to the previous payment values. There was also a payment of £9,050 on 3 June 2022 made from the account to a new payee with a different EMI, which was larger than the scam payments.

The initial payments made by Miss C as part of the scam, whilst I recognise was a lot of money to her, weren't remarkable in amount. And while the payment amount did increase, when weighing everything up, I don't think they ought to have put Revolut on notice that Miss C might have been at risk of financial harm from fraud.

Looking at the transaction history on the account, I note the payee Miss C was making payments to, was also an account she'd received several incoming credits from.

Whilst I note the payment referenced above for £9,050 was raised as a scam payment by Miss C under separate references with our service and, that she'd raised this payment with Revolut in late June 2022, given that this payment was made to a different EMI, I'm not

persuaded it would be fair or reasonable for me to conclude that this in and of itself ought to have put Revolut on notice that Miss C might have been at risk of financial harm from fraud for the payments she'd made on 28 and 29 June 2022. Nor have I seen any evidence that persuades me that Revolut ought fairly and reasonably to have suspected the payments were also being made as the result of her falling victim to a similar (same) employment/investment scam.

Finally, I've also gone on to consider whether Revolut took reasonable steps to recover Miss C's funds once it was aware of what had happened. Here Miss C sent funds from her Revolut account to another account she held in her own name. From there she moved the funds onto fraudsters. It follows that I don't think Revolut missed an opportunity to recover Miss C's funds – as Miss C had already moved this onto the fraudster before reporting the payments as a scam.

It is very unfortunate that Miss C has lost this money in this way, and I understand the whole experience has been upsetting for her. But in the circumstances, I don't think I can fairly or reasonably say Revolut should have done more to prevent Miss C from losing this money.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss C to accept or reject my decision before 25 October 2023.

Staci Rowland
Ombudsman