

The complaint

Mr A complains that Revolut Ltd won't refund money he lost, after he fell victim to an Authorised Push Payment (APP) scam.

What happened

The background to this complaint is well-known to both parties, so I won't repeat it all here. But briefly, I understand it to be as follows.

In March 2023, Mr A was contacted by somebody claiming to be from HMRC saying that he had an outstanding tax bill. The number that Mr A was called on was spoofed, to appear like it was genuinely from HMRC. The caller was also able to quote Mr A's details and he's said the amount of tax the caller said was outstanding, was almost identical to what he thought he owed. Believing everything to be genuine Mr A was persuaded to send three payments, in the belief that he was settling the bill and avoiding potential court action. But unknown to him at the time, he was speaking to a fraudster and had sent money to accounts the fraudsters controlled.

Mr A made transfers totalling £1,177 to the fraudsters, from his Revolut account, that he had been advised to open. A breakdown of these payments is listed below;

23 March 2023	£199
23 March 2023	£489
23 March 2023	£489

Mr A soon realised he'd been scammed and raised the matter with Revolut. It looked into things and issued its final response on 5 April 2023. In summary it said it was sorry that these events had happened to Mr A, but it didn't uphold his complaint. It said it had proactively warned Mr A about scams and had done everything in its power to recover the funds from the beneficiary account (the account to which the money was sent), but unfortunately no funds remained.

Unhappy with Revolut's response, Mr A brought his complaint to our service and one of our Investigator's looked into things, but he didn't think the complaint should be upheld. In summary, he didn't think Revolut had missed the opportunity to identify the payments were being made in respect of a scam.

As Mr A didn't agree with our Investigator's opinion, his complaint has 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 aware that I've summarised this complaint briefly, in less detail than has been provided, and in my own words. No discourtesy is intended by this. Instead, I've focussed on what I

think is the heart of the matter here. If there's something I've not mentioned, it isn't because I've ignored it. I haven't. I'm satisfied I don't need to comment on every individual point or argument to be able to reach what I think is the right outcome. Our rules allow me to do this. This simply reflects the informal nature of our service as a free alternative to the courts.

I'm sorry to hear Mr A was the victim of a scam and I can understand why he wants to do all he can to recover the moneys he lost. But I can only direct Revolut to refund Mr A's losses if it can fairly and reasonably be held responsible for them.

Where Mr A authorised the transactions, it means that Revolut was obliged to follow his instructions. That said, there are circumstances when it might be appropriate for Revolut, as an electronic money institute (EMI), to take additional steps before processing a payment due to identifying a fraud risk. I've considered whether it did identify (or should have identified) such a risk here, and, if so, whether it responded proportionately.

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 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 do intervene, I would expect that intervention to be proportionate to the circumstances of the payment. Generally, an indication of fraud might include when a payment is made that is significantly out of keeping with the normal use of the account. In this case, Mr A had only just set up the account. So Revolut had no prior knowledge of how he normally transacted.

When considering the individual circumstances of this case, I don't consider Revolut acted unfairly or unreasonably in allowing the payments to be made. Revolut's fraud detection systems did recognise there was an element of risk to the payments Mr A was making. In view of this it provided warnings to Mr A at the point he was making the payments. And all things considered I think that Revolut did enough in providing a warning to Mr A when he made the payments. I think, with what it reasonably knew at the time, that was a proportionate intervention and I'm not persuaded Revolut needed to do anything more.

I'm also satisfied Revolut acted reasonably in attempting to recover Mr A's funds, but that it wasn't able to recover money from the beneficiary accounts. Sadly, it is quite typical with these types of scams for fraudsters to move money away from the beneficiary account, straight after the payments are made, presumably to frustrate the efforts at this type of recovery, which was the case here.

It's very unfortunate Mr A has lost this money in this way, and I understand the whole experience has been deeply upsetting and I have a great deal of sympathy for him. But in the circumstances, I don't think I can fairly or reasonably say Revolut should have done more to prevent Mr A from losing his 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 Mr A to accept or reject my decision before 29 March 2024.

Stephen Wise
Ombudsman