

## **The complaint**

Miss P complains that Revolut Ltd won't refund money she lost to a scam.

## **What happened**

Miss P is represented in this complaint by a solicitor, for simplicity I will refer to Miss P throughout this decision, even when referencing what her representatives have said on her behalf.

Miss P says she saw an advert for a money-making opportunity online. She was contacted by an agent who pressured her to sign up for this job opportunity and told her she would be buying and selling cryptocurrency and would receive commission. Miss P agreed to sign up to the scheme, and initially made payments to it from her accounts with two other banks. She was then encouraged to open an account with Revolut as those other banks were becoming suspicious of the number of payments she was making to the scheme.

Ultimately, Miss P transferred over £5,900 from her Revolut account to various accounts belonging to third parties. These transfers ranged from £84 to £1,000 and took place over a period of around two months. When Miss P was told she'd need to pay further money to withdraw her profits, and then was asked for additional money to allow her to 'resign' from the job, she realised she'd been the victim of a scam, and contacted Revolut and her other banks to report what had happened.

Ultimately, Revolut did not think it was obliged to refund any of the money lost to Miss P, it did not feel the payments she'd made were indicative of fraud or had merited any intervention. Miss P remained unhappy, and referred her complaint about Revolut to us. As our investigator (who didn't recommend that the complaint be upheld) couldn't resolve the matter informally, the case 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.

Having done so, I've reached the same conclusion as our Investigator, and for largely the same reasons.

It's not in dispute that Miss P authorised the payments herself as she thought she was dealing with a legitimate company. Broadly speaking, the starting position in law is that Revolut is expected to process payments and withdrawals that Miss P authorises it to make, in accordance with the terms and conditions of the account. And Miss P will then be responsible for the transactions that she has authorised.

Because of this, Miss P is not automatically entitled to a refund. But the regulatory landscape, along with good industry practice, also sets out a requirement for account providers to protect their customers from fraud and financial harm. And this includes monitoring accounts to look out for activity that might suggest a customer was at risk of

financial harm, intervening in unusual or out of character transactions and trying to prevent customers falling victims to scams.

In this case, I need to decide whether Revolut acted fairly and reasonably in its dealings with Miss P, or whether it should have done more than it did.

In my opinion, the payments Miss P made to this scam just weren't sufficiently unusual to reasonably say Revolut shouldn't have allowed the payments to go through without first getting in touch with Miss P to check everything was in order. I say this for several reasons:

- The account was opened specifically to make these payments, so there was no account history against which Revolut could compare any new payments, it would therefore be relying on generic indicators to decide if any payments were high risk.
- I can't say that, in the wider context of the payments Revolut would see every day, any of these payments were high enough to have seemed suspicious or to have stood out to Revolut. I appreciate £1,000 may feel like a lot of money to Miss P, but this would not be considered a particularly high value transaction in general.
- The payments were to various different payees, for varying amounts (with the amounts not increasing over time) and were made over an extended period of time with reasonable gaps between sets of payments – this is not behaviour that would generally be seen as indicative of fraud.
- Although Miss P says the payments were to buy cryptocurrency – which could be seen as a higher risk – the payments were not obviously being made to a cryptocurrency exchange, they were instead being made to bank accounts belonging to various third parties.

So as Revolut didn't interact with Miss P at the time of these payments, and I don't think there was anything that should have triggered a direct intervention from Revolut, I'm satisfied it didn't unreasonably miss an opportunity to prevent these payments before they were sent.

After the payments were made, I wouldn't reasonably expect Revolut to have done anything further until Miss P notified it she'd been scammed. And I've thought about whether Revolut could have done more to recover the funds after Miss P reported the fraud.

However, in these circumstances, Revolut has shown us that the funds were either sent to international accounts – where there was no reasonable route via which Revolut could recover the funds, or where the funds were sent to UK accounts, the funds had already been moved on by the scammers by the time Miss P had given Revolut the information it needed to pursue recovery. With all of this in mind, I don't consider that Revolut could have done more to recover the money that Miss P has lost.

I note that Miss P also referred complaints to our service about the other banks involved in the scam, and that she has received a refund of some of the money she lost from those banks. But I'm not persuaded that Revolut can fairly or reasonably be held liable for any of her loss in these circumstances.

### **My final decision**

For the reasons I've explained, I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss P to accept or reject my decision before 29 February 2024.

Sophie Mitchell

**Ombudsman**