

## The complaint

Mr F complains that Revolut Ltd didn't do enough to protect his account when it was used to make payments to a scammer.

## What happened

Mr F's family member, who I'll call "D", fell victim to a scam which involved making a series of payments to simulate the purchase of items. He'd been led to believe this was a job which he'd be paid for once he'd completed a set number of payments, or 'tasks'. But his own account with Revolut was closed and he hadn't yet completed the required number of tasks. So, Mr F opened an account with Revolut in April 2023, which D used to continue working through the tasks, using funds loaned to him by another family member.

D, through Mr F's account, made the following payments:

Date	Payment details	Amount (inclusive of fees)
24/04/2023	Transfer to Payee 1	£1,900
24/04/2023	Transfer to Payee 1	£1,919
24/04/2023	Transfer to Payee 1	£1,919
24/04/2023	Transfer to Payee 2	£353.50
24/04/2023	Transfer to Payee 2	£1,907.68

Total: £7,999.18

Mr F complained to Revolut in September 2023, having realised that D had been the victim of a scam. He felt that Revolut had failed to identify uncharacteristic payments and thinks Revolut should have intervened.

But Revolut didn't uphold the complaint. It was satisfied the payments had been authorised. Given it was a new account, there was no historical data to make the activity appear unusual and the payments were in keeping with the stated purpose of the account – 'transfers'. It also said the values weren't significant enough to raise suspicion. And that it had been unable to recover the funds as it hadn't been made aware of the scam until some time afterwards.

Unhappy with this, Mr F brought his complaint to this Service, via a representative.

Our investigator considered the complaint. But she didn't uphold it. She accepted payments had been made to a scammer and thought there should have been an intervention by the third payment, in the form of a written warning broadly covering general scam risks.

However, she didn't think this would have stopped D from making the payments as it was unlikely to be specific to the scam he'd fallen victim to. And she felt that D was under the scammer's spell so would have proceeded with the payments anyway. She didn't think Revolut had acted in error in terms of recovery of the funds, as it wasn't notified of the funds being lost to a scam until several months after they'd been sent.

Mr F disagreed. He thinks Revolut should have intervened by asking open-ended questions which would have revealed the payments followed a well-known scam pattern. So, the complaint has been passed to me to decide.

### **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 won't be upholding this complaint – I'll explain why.

Before doing so, I must make it clear that I've only considered Mr F's complaint against Revolut. I've not considered the closure of D's account as this is a separate matter and complainant.

It isn't in dispute that Mr F Broadly speaking, the starting position is that an Electronic Money Institution (EMI) such as Revolut is expected to process payments and withdrawals that a customer authorises it to make, in accordance with the Payment Services Regulations 2017 and the terms and conditions of the customer's account.

In this case, while Mr F didn't make the payments himself, he was aware D was using the account to make payments and, seemingly, that he was doing so with funds that didn't belong to Mr F. So, it's not in dispute that the payments should be considered as authorised. Mr F is therefore initially presumed liable for the loss. However, Revolut is aware, taking longstanding regulatory expectations and requirements into account, and what I consider to be good industry practice at the time, that it should have been on the lookout for the possibility of fraud, and made additional checks before processing payments in some circumstances.

As far as Revolut will have been aware, the payments were being made by Mr F. It would have had no way of knowing initially that D, having had his account closed, was using Mr F's account, especially given this is against the terms and conditions. So, on that basis, it would have been fair to assume Mr F was making the payments. And I've not been made aware of any reasons why he would have been susceptible to falling victim to a scam.

I turn next to the payees. While the payments were said to have been made to purchase cryptocurrency, both payees instead appear to be individuals. The purpose of the account upon opening was noted as 'transfers'. So, transferring payments to individuals wouldn't go against the intended purpose of the account and therefore wouldn't have appeared unusual.

Looking at the first two payment amounts, while not insignificant sums, I don't consider them to be so high that they should have triggered Revolut's fraud alert systems. However, by the third payment, I do think that Revolut should have intervened. I say this because by this point there would have been three payments for the same amount (when fees are excluded) to the same payee in quick succession – and that seems unusual regardless of the account purpose.

At this point, I think a proportionate intervention would have been to provide a written warning broadly covering general scam risks. Mr F disagrees with this and thinks Revolut

should have investigated with open-ended questioning. But I disagree. This would suggest there should have been human intervention – but I don't think the amounts involved warranted this level of intervention. Overall, just under £8,000 was lost to the scam through this account. And I also have to consider that, with this being a new account, there was no historical data to suggest this was uncharacteristic behaviour for Mr F. So, with all that in mind, I'm satisfied a written warning should have been given.

Had that warning been given, I'm not persuaded this would have stopped the payments from being made. It's clear from the actions of D and from the chain of messages I've seen that he was very keen for these payments to be made – there were perceived deadlines that he'd missed and requested extensions on. So much so that he persuaded Mr F to open an account that he could use, and this enabled D to 'meet the extended deadlines'. So, if the warning had been presented to D, as he was using the account, I believe the urgency to complete the tasks would have prevented him from taking heed of the warning – he was very much under the spell of the scammer. By this I mean that he was extremely confident he was working for a platform and making money. And he'd invested so much already at this point that taking notice of the warning would also mean accepting how much he'd lost.

Alternatively, if the warning had been presented to Mr F, I don't think it would have been likely to make a difference as he'd seemingly passed over control of his account to D, and wouldn't have done so if he felt that there was anything untoward happening.

So, with all of the above in mind, I think Revolut ought to have identified that Mr F was at risk of financial harm from fraud, and it should have intervened. But, even if it had done this, I'm satisfied that D, through use of Mr F's account, would have still wanted to go ahead with the payments.

I've also thought about whether Revolut took the steps it should have once it was aware that the payments were the result of fraud. But based on the evidence provided, Revolut wasn't made aware of the issue until around four months after the payments. It said it was prevented from attempting to recover the funds at the time. While it's unclear whether Revolut did attempt to recover the funds despite the late notification, I'm satisfied given the nature of the scam, that it would be incredibly unlikely for any funds to have remained at this point. So, I don't think Mr F, or D, lost out as a result of Revolut's action, or inaction.

I recognise payments made from Mr F's account were sent to a scammer and I'm sorry for the losses incurred by him and his family member. But for the reasons I've explained, I don't think it would be fair or reasonable to hold Revolut liable for these losses, so I won't be asking it to issue a refund.

### **My final decision**

For the reasons given above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr F to accept or reject my decision before 17 September 2024.

Melanie Roberts  
**Ombudsman**