

The complaint

Ms C complains that Revolut Ltd hasn't protected her from losing money she paid to one of Revolut's customers as a result of fraud.

What happened

The background to this complaint is well known to both parties, so I won't repeat everything here. In brief summary, Ms C has explained that in March 2023 she made two payments totalling £11,000 from her own Revolut account to a third-party account held with Revolut as a result of a safe account scam.

When Ms C realised she'd been scammed, she reported this to Revolut. But aside from £43.01 being credited to her account, Revolut didn't reimburse Ms C's lost funds. Revolut and Ms C couldn't reach agreement about things, so Ms C referred her complaint about Revolut to us. As our Investigator couldn't resolve the matter informally, the case has been passed to me for a decision.

I sent Ms C and Revolut my provisional decision earlier this month explaining why I wasn't minded to uphold this complaint. Now that both parties have had fair opportunity to respond, I've reviewed everything again, and I'm now ready to explain my 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.

First let me clarify exactly what this decision is about. The two disputed payments were sent to a third-party account held with Revolut from Ms C's own account with Revolut. Ms C has raised a separate complaint about Revolut focused on its role as Ms C's sending payment service provider ("PSP"). We've looked at this as a separate matter, and at the same time as issuing this decision on Revolut's role as the receiving PSP, I'm also concurrently issuing a decision on Revolut's role as the sending PSP. This decision here concerns Revolut's role as the receiving PSP alone.

I've reached the same conclusions as in my provisional decision and for the same reasons. I've explained my reasons again below.

I'm sorry to hear Ms C has been the victim of a scam. She has my sympathy, and I understand why she thinks it's unfair she should bear the loss. Ultimately Ms C has suffered her loss because of a fraudster. I can't reasonably ask Revolut to reimburse losses that resulted from the criminal actions of third parties unless its acts or omissions unfairly resulted in Ms C's loss. So, what I have to decide is whether Revolut reasonably did enough to prevent, or respond to, the alleged authorised push payment (APP) fraud.

Revolut has shared relevant information with this service in confidence to allow us to discharge our investigatory functions and has provided that which is necessary for the determination of this complaint. But I'm also limited to how much of this I can share for the

same reasons as Revolut. But I'd like to assure Ms C I've carefully reviewed everything before reaching my decision.

I appreciate Ms C may feel Revolut should refund her loss as it allowed fraudsters to open and operate an account. But an account later found to have been utilised to misappropriate funds doesn't automatically entitle the payer (victim) to a refund nor does it mean that the recipient PSP unreasonably failed to prevent the loss. What I need to consider is whether at the time of opening the account Revolut ought reasonably to have known that the account being opened would later be used fraudulently. And in the circumstances of this complaint, there wasn't anything at the time that I think reasonably could've alerted Revolut that the account it was opening would later be used to misappropriate funds. So, I'm satisfied it didn't miss an opportunity to prevent the fraud when opening the account.

I've also considered whether there was anything prior to when Revolut was notified Ms C had been scammed that ought to have alerted Revolut to the possibility of fraud. I'm satisfied there was no account activity that was sufficiently suspicious such that I could reasonably say Revolut unreasonably missed an opportunity to prevent Ms C's loss here either.

I'm also satisfied having seen the account statements that by the time Revolut was told that Ms C's payments had been made as a result of a scam, there weren't any available funds for Revolut to recover other than the £43.01, which I understand has already been credited back to Ms C. So I'm satisfied Revolut's acts or omissions when it was notified of the fraud were not the cause of Ms C's loss.

I understand Ms C will be disappointed. However, for the reasons I've explained, I don't think Revolut unreasonably missed an opportunity to either prevent the fraud or to have recovered more of the funds. So, I don't uphold this complaint.

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms C to accept or reject my decision before 19 April 2024.

Neil Bridge
Ombudsman