

The complaint

Mr P complains that Revolut Ltd (Revolut) is refusing to refund him the amount he lost as the result of a scam.

Mr P is being represented by a third party. To keep things simple, I will refer to Mr P throughout my decision.

What happened

The background of this complaint is well known to all parties, so I won't repeat what happened in detail.

In summary, Mr P received a text message that appeared to be from a well-known retailer asking him to make payment for redelivery. Mr P provided details of his AMEX card to make the payment, but the payment was not taken from that account.

Mr P received a call from Amex stating his account had been compromised and a payment of £180 had been attempted from the account. The caller asked Mr P if he held any other accounts and Mr P explained he had a Nationwide account.

Mr P then received a call that appeared to be from Nationwide. The caller explained Mr P's Nationwide account had been compromised and required him to move funds to a different account.

Mr P made multiple payments from his Nationwide account to his Revolut account. Mr P then forwarded the funds to multiple other accounts setup in his name as directed by the scammer.

Mr P made the following payments in relation to the scam from his Revolut account:

Date	Payee	Payment Method	Amount
12 July 2023	Kroo account 1	Transfer	£93
12 July 2023	Kroo account 1	Transfer	£200
12 July 2023	Kroo account 1	Transfer	£4,900
12 July 2023	Kroo account 1	Transfer	£3,400
12 July 2023	Kroo account 2	Transfer	£92
12 July 2023	Kroo account 2	Transfer	£200
12 July 2023	Kroo account 2	Transfer	£4,900
12 July 2023	Kroo account 2	Transfer	£3,300
12 July 2023	Kroo account 3	Transfer	£92
12 July 2023	Kroo account 3	Transfer	£200
12 July 2023	Kroo account 3	Transfer	£4,900
12 July 2023	Kroo account 3	Transfer	£1,923
12 July 2023	Kroo account 3	Transfer	£90
12 July 2023	Kroo account 3	Transfer	£200
12 July 2023	Kroo account 3	Transfer	£4,700
12 July 2023	Kroo account 3	Transfer	£900

15 August 2023		Recovery from Kroo	- £25
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Our Investigator considered Mr P's complaint and didn't think it should be upheld. Mr P disagreed, so this 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.

It has not been disputed that Mr P has fallen victim to a cruel scam. The evidence provided sets out what happened. What is in dispute is whether Revolut should refund the money Mr P lost due to the scam.

Recovering the payments Mr P made

Mr P made the disputed payments via transfer. When payments are made by transfer Revolut has limited options available to it to seek recovery. I can see that Revolut contacted the operator of the payee's account but unfortunately most of the funds had been moved on. £25 remained which was refunded to Mr P.

Should Revolut have reasonably prevented the payments Mr P made?

It has been accepted that Mr P authorised the payments that were made from his account with Revolut, albeit on the scammer's instruction. So, the starting point here is that Mr P is responsible.

However, banks and other Payment Services Providers (PSPs) do have a duty to protect against the risk of financial loss due to fraud and/or to undertake due diligence on large transactions to guard against money laundering.

The question here is whether Revolut should have been aware of the scam and intervened when Mr P made the payments. And if it had intervened, would it have been able to prevent the scam taking place.

When Mr P made the payments from his Revolut account he was paying a new payee. Mr P was presented with the following warning:

'Do you know and trust this payee? If you're unsure, don't pay them, as we may not be able to help you get your money back. Remember, fraudsters can impersonate others and we will never ask you to make a payment.'

Mr P was also asked the purpose of the payment he was making and had options to choose from. Among the options was *'transfer to a safe account'* which was an accurate reflection of the payments Mr P was making. Yet Mr P selected the option *'something else'*.

Despite giving an incorrect reason for the payments he was making Mr P was still presented with the following warnings:

'Are you being scammed? Please beware if you have been: ...

2. Told your account is at risk, to move funds to a safe account or to take out a loan.'

And

'Beware, there is a high probability that this payment is a scam

Before sending your money, please beware: Fraudsters can fake phone numbers to make it look like the genuine phone number of an organisation or authority.

Revolut will NEVER contact you over the phone without verifying ourselves first via the in-app chat.

Revolut and other banks will never tell you to move your money into a new 'safe' account.

Revolut and other trustworthy organisations will NEVER tell you to ignore this warning.'

As explained above the funds Mr P sent in relation to the scam originated from Mr P's Nationwide account. Two payments Mr P attempted to make by transfer to his Revolut account were stopped by Nationwide. He was given the following warning:

'Be aware of scams Trusted organisations (like Nationwide or the police) will never ask you to transfer money into another account. So, if you've been asked to do this, do not go through with the payment.'

Even though Mr P was given this clear warning that covered the scam he was experiencing, rather than him stopping his attempts to make the payments he started making the payments using his debit card instead.

Overall, I think that although Mr P gave incorrect information when making payments, he received adequate warnings that should have put him on notice that he was experiencing a scam. Mr P decided to ignore these warnings and continue with the payments regardless.

With the above in mind, I don't think Revolut missed an opportunity to prevent the scam and it is therefore not responsible for his loss.

My final decision

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 19 July 2024.

Terry Woodham
Ombudsman