

The complaint

Mr C is unhappy that Revolut Ltd won't refund money he lost to a scam.

What happened

On 16 April 2024, I issued my provisional decision on this complaint. I wanted to give both parties a chance to provide any more evidence and arguments before I made my final decision. That provisional decision forms part of this final decision and is copied below.

What happened

Mr C received a text message from what appeared to be the Post Office. It said that the delivery of a parcel needed to be rescheduled and provided a link. Mr C said he was expecting a parcel, so he followed the link and, when he was asked for a small re-direction fee, he input his Revolut card details, name, address and mobile number. The following day he missed a call. He searched online for the number that had called him which showed that the number was linked to Revolut. He called the number (a genuine Revolut number) but was met with an automated message.

Unsure of what the call was about, he contacted the genuine Revolut through its application.

The conversation is copied below:

Mr C at 9:57: Hi. I receive a call from Revolut this morning

Mr C at 9:57: What is it about?

Revolut at 9:58: Hi Mr C! My name is Alex. Give me a moment to check your query. I will be back in a minute.

Revolut at 10:00: Could you please provide the telephone number? And did you share some details with them?

Mr C at 10:01: I received a miss call.

Mr C at 10:02: I missed that call. When I call back, it's Revolut automated number

Revolut at 10:03: Revolut offers chat only support. Please have in mind this.

Mr C says that he didn't see Revolut's final message until after the scam had taken place.

He received another call and, this time, answered the phone. The caller said that they were from the Financial Conduct Authority ("FCA"). They claimed that Mr C's accounts and phone had been hacked as a result of his response to the fraudulent text message. He then received a call from someone claiming to represent Revolut. The fraudster had 'spoofed' Revolut's genuine number.

The fraudster asked whether Mr C used any other accounts and he confirmed he held an account with another bank – "H". The caller claimed that this account was compromised as well and that a representative of H would contact him. A fraudster whom he believed to be

representing H called him. He says he checked the number he was called on and could see that it genuinely related to H. He also received a text message at 11:22 which joined an existing thread of messages from H. It provided an 'FCA case number' – which matched the number provided to him by the caller claiming to represent the FCA.

I can see from the call logs provided by Mr C that he then spent about two hours speaking to the fraudsters during which time he was instructed to move money from his accounts at H to Revolut and then to three new payees – which he believed were "FCA insurance accounts". He says that he understood that hackers could move his money, but didn't reflect, at the time, on why he was being asked to move money through multiple account. He put his own name as the payee for each of the three accounts but the recipient bank was not covered by the 'Confirmation of Payee' scheme – so Mr C would have seen a message which informed him that Revolut was unable to confirm whether the payee name provided matched that on the recipient account.

A table setting out relevant transactions and events is below. Please note the times given in Revolut's internal records appear to be in Greenwich Mean Time ("GMT") rather than British Summer Time ("BST"). Its final response letter appears to give times in BST (i.e. one hour later) which I assume to be the accurate time. All quoted times below are given in what I understand to be BST.

<i>Payment number</i>	<i>Date and time</i>	<i>Credit/Debit</i>	<i>Recipient/Origin/Event</i>	<i>Amount/Duration of call</i>
	7 July 2022		<i>Fraudulent Post Office text message received</i>	
	8 July 2022, 9:12 & 9:13		<i>Missed calls from spoofed Revolut number</i>	
	8 July 2022, 9:56am		<i>Mr C calls a genuine Revolut number but only receives an automated telephone message</i>	
	8 July 2022, 10:03		<i>Message from genuine Revolut sent to Mr C advising him that Revolut only offers chat support.</i>	
	8 July 2022, 11:03		<i>Mr C receives a call from someone claiming to represent the FCA. They advise that his accounts are compromised.</i>	5 minutes
	8 July 2022, 11:15		<i>Mr C receives a call from a spoofed Revolut number. He is advised that H will call.</i>	5 minutes
	8 July 2022, 11:21		<i>Mr C receives a call from a spoofed H number. He is advised to move money to</i>	59 minutes

			<i>Revolut and then to 'FCA insurance accounts'.</i>	
	<i>8 July 2022, 11:22</i>		<i>Mr C receives a spoofed H text message, which provides an 'FCA case number'</i>	
	<i>8 July 2022, 11:44</i>	<i>Credit</i>	<i>Mr C's account at H</i>	<i>£10,000</i>
	<i>8 July 2022, 11:47</i>	<i>Credit</i>	<i>Mr C's account at H</i>	<i>£10,000</i>
	<i>8 July 2022, 11:50</i>	<i>Credit</i>	<i>Mr C's account at H</i>	<i>£5,000</i>
<i>1</i>	<i>8 July 2022, 12:02</i>	<i>Debit</i>	<i>Third-party account (1)</i>	<i>£100</i>
<i>2</i>	<i>8 July 2022, 12:05</i>	<i>Debit</i>	<i>Third-party account (1)</i>	<i>£20,900</i>
	<i>8 July 2022, 12:21</i>		<i>Second call from spoofed H number</i>	<i>41 minutes</i>
	<i>8 July 2022, 12:21</i>	<i>Credit</i>	<i>Mr C's account at H</i>	<i>£19,000</i>
<i>3</i>	<i>8 July 2022, 12:25</i>	<i>Debit</i>	<i>Third-party account (2)</i>	<i>£100</i>
<i>4</i>	<i>8 July 2022, 12:26</i>	<i>Debit</i>	<i>Third-party account (2)</i>	<i>£20,900</i>
	<i>8 July 2022, 12:35</i>	<i>Credit</i>	<i>Mr C's account at H</i>	<i>£18,000</i>
<i>5</i>	<i>8 July 2022, 12:37</i>	<i>Debit</i>	<i>Third-party account (3)</i>	<i>£100</i>
<i>6</i>	<i>8 July 2022, 12:39</i>	<i>Debit</i>	<i>Third-party account (3)</i>	<i>£20,000</i>
	<i>8 July 2022, 13:03</i>		<i>Third call from spoofed H number</i>	<i>4 minutes</i>
	<i>8 July 2022, 13:29</i>	<i>Credit</i>	<i>Mr C's wife</i>	<i>£100</i>
	<i>8 July 2022, 13:30</i>	<i>Credit</i>	<i>Mr C's wife</i>	<i>£24,900</i>
	<i>8 August 2022</i>	<i>Credit</i>	<i>Recovered funds</i>	<i>£547.62</i>
			<i>Outstanding loss</i>	<i>£61,552.38</i>

Mr C says the fraudsters asked him to contact his wife and instruct her to move money to his account (as can be seen in the table above). He then had to use the London Underground, where he didn't have any mobile phone reception. His calls with the fraudsters therefore stopped and he says that he had time to think about what had happened that day. At this point he began to realise he'd been the victim of a scam. He reported the scam through Revolut's in-app chat function at 15:26 and I can see that he continued to receive calls from the fraudsters until about 3pm that day.

Revolut declined his claim. It said that it wasn't responsible for the loss because he'd authorised the payments. But it was able to recover £547.62 from the accounts which received his money.

Mr C referred the matter to our service. He argued that Revolut should have picked up on the unusual and out of character activity and provided better warnings before the payments left his account. He also said that he believed that the payments wouldn't be successful unless the payee name matched the name on the recipient account. He said that this was standard practice in his home country, from which he'd recently moved.

One of our Investigators upheld his complaint in part. They thought that Revolut failed to recognise the clear risk that Mr C was falling victim to a scam. They thought that had Revolut intervened and provided a warning, it would have been able to prevent most of Mr C's loss. So they recommended that Mr C be refunded all but the first payment he made, as well as interest at 8% simple per year on the refunded amount.

Revolut didn't agree. In summary, it argued:

- It had completed a compliance check on Mr C just days before the scam took place. This had been prompted by several high value payments that he'd made.
- Mr C should have, and probably did, read the message its agent sent advising him that Revolut would never call. He also had time to check the legitimacy of the number. The agent also asked Mr C for the number on which he'd been called, but C didn't provide this.
- Although Revolut's number had been spoofed, it was clearly not a number used for outgoing calls. This should have been apparent to Mr C if he looked up the number.
- He also ought to have clarified the situation through the Revolut application, rather than rely on what he was being told over the phone.
- Mr C told its agent that it was his fault for not being more vigilant. So, Mr C recognised he should take some responsibility for what happened.
- It had provided Mr C with a number of warnings about this kind of scam in the preceding months, but he hadn't heeded them. At least one of those warnings had specifically mentioned number spoofing. Those warnings had also directed him to contact it via the in-app chat before proceeding with any payments.
- It also provided a warning each time he made a payment to a new payee. That warning asked him whether he knew and trusted the payee, explained he might not get his money back if he made the payment, that fraudsters can impersonate others and that it would never ask him to make a payment.
- Its terms (which Mr C agreed to) clearly state that it will normally communicate through its application and that is how it will inform customers about fraud.
- While Mr C claimed that he didn't think a payment would go through if the name of the payee didn't match the name on the recipient account, Mr C was not an inexperienced customer and should have known that a payment would go through even if there was no Confirmation of Payee match.
- Mr C ought to have found the requests to make certain payments suspicious, particularly moving his money through multiple accounts.

As no agreement could be reached, the case was passed to me for a decision.

What I've provisionally 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.

In deciding what's fair and reasonable in all the circumstances of a complaint, I am required to take into account relevant: law and regulations; regulators' rules, guidance and standards; codes of practice; and, where appropriate, what I consider to have been good industry

practice at the time.

Having taken all of the above into account, for the reasons I shall set out below, I am minded to conclude that:

- *When Mr C attempted to make the second payment to the fraudsters – that is the £20,900 payment on 8 July 2022 at 12:05 (“Payment 2”), Revolut should have recognised that Mr C could be at heightened risk of financial harm from fraud and it should have attempted to establish the circumstances surrounding that payment by, for example, directing Mr C to its in-app chat.*
- *Once it had established the circumstances surrounding the payment, it should have provided a clear warning to Mr C.*
- *Had it done so, I think it’s more likely than not that Mr C’s loss from that payment onwards would have been prevented.*
- *In those circumstances, I consider it to be fair and reasonable to hold Revolut responsible for Mr C’s loss.*

In broad terms, the starting position at law 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 (in this case the 2017 regulations) and the terms and conditions of the customer’s account.

And, as the Supreme Court has recently reiterated in Philipp v Barclays Bank UK PLC, subject to some limited exceptions banks have a contractual duty to make payments in compliance with the customer’s instructions.

In that case, the Supreme Court considered the nature and extent of the contractual duties owed by banks to their customers when making payments. Among other things, it said, in summary:

- *The starting position is that it is an implied term of any current account contract that, where a customer has authorised and instructed a bank to make a payment, it must carry out the instruction promptly. It is not for the bank to concern itself with the wisdom or risk of its customer’s payment decisions.*
- *The express terms of the current account contract may modify or alter that position. For example, in Philipp, the contract permitted Barclays not to follow its customer’s instructions where it reasonably believed the payment instruction was the result of APP fraud; but the court said having the right to decline to carry out an instruction was not the same as being under a duty to do so.*

In this case, the terms of Revolut’s contract with Mr C at the time did expressly allow it to refuse or delay a payment for a number of reasons, but those reasons did not explicitly include circumstances where Revolut believes its customer is at risk of financial harm from fraud.

So Revolut was required by the implied terms of its contract with Mr C and the Payment Services Regulations to carry out Mr C’s instructions promptly, and (as Philipp reiterated) it was not under a contractual duty or obligation to concern itself with the wisdom of Mr C’s payment decisions.

But the requirement to carry out an instruction promptly does not mean immediately¹. And whilst Revolut was not required or obliged under its contract with Mr C to concern itself with the wisdom of Mr C's payment decisions – for example by making fraud related enquiries – the contractual requirement to make payments promptly did not prevent it from doing so either.

Revolut could comply with the requirement to carry out payments promptly while still giving fraud warnings, or making further enquiries, prior to making the payment

And, I am satisfied that, taking into account regulatory expectations and requirements and what I consider to have been good industry practice at the time, Revolut should in July 2022 fairly and reasonably have been on the look-out for the possibility of fraud and have taken additional steps, or made additional checks, before processing payments in some circumstances.

In reaching that view, I am mindful that in practice all banks and EMI's like Revolut do in fact seek to take those steps, often by:

- using algorithms to identify transactions presenting an increased risk of fraud;²*
- requiring consumers to provide additional information about the purpose of transactions during the payment authorisation;*
- using the confirmation of payee system for authorised push payments;*
- providing increasingly tailored and specific automated warnings, or in some circumstances human intervention, when an increased risk of fraud is identified.*

In reaching my conclusions about what Revolut ought fairly and reasonably to have done, I am also mindful that:

- FCA regulated firms are required to conduct their “business with due skill, care and diligence” (FCA Principle for Businesses 2) and to “pay due regard to the interests of its customers” (Principle 6)³.*
- Over the years, the FSA, and its successor the FCA, have published a series of publications setting out non-exhaustive examples of good and poor practice found when reviewing measures taken by firms to counter financial crime, including various iterations of the “Financial crime: a guide for firms”.*
- Regulated firms are required to comply with legal and regulatory anti-money laundering and countering the financing of terrorism requirements. Those requirements include maintaining proportionate and risk-sensitive policies and procedures to identify, assess and manage money laundering risk – for example through customer due-diligence measures and the ongoing monitoring of the*

¹ The Payment Services Regulation 2017 Reg. 86 states that “the payer’s payment service provider must ensure that the amount of the payment transaction is credited to the payee’s payment service provider’s account **by the end of the business day following the time of receipt of the payment order**” (emphasis added).

² For example, Revolut’s website explains it launched an automated anti-fraud system in August 2018:

https://www.revolut.com/news/revolut_unveils_new_fleet_of_machine_learning_technology_that_has_seen_a_fourfold_reduction_in_card_fraud_and_had_offers_from_banks/

³ Since 31 July 2023 under the FCA’s new Consumer Duty package of measures, banks and other regulated firms must act to deliver good outcomes for customers (Principle 12), but the circumstances of this complaint pre-date the Consumer Duty and so it does not apply.

business relationship (including through the scrutiny of transactions undertaken throughout the course of the relationship).

- The October 2017, BSI Code⁴, which a number of banks and trade associations were involved in the development of, recommended firms look to identify and help prevent transactions – particularly unusual or out of character transactions – that could involve fraud or be the result of a scam. Not all firms signed the BSI Code (and Revolut was not a signatory), but the standards and expectations it referred to represented a fair articulation of what was, in my opinion, already good industry practice in October 2017 particularly around fraud prevention, and it remains a starting point for what I consider to be the minimum standards of good industry practice in July 2022.*

Overall, taking into account relevant law, regulators rules and guidance, relevant codes of practice and what I consider to have been good industry practice at the time, I consider it fair and reasonable in July 2022 that Revolut should:

- have been monitoring accounts and any payments made or received to counter various risks, including preventing fraud and scams;*
- have had systems in place to look out for unusual transactions or other signs that might indicate that its customers were at risk of fraud (among other things). This is particularly so given the increase in sophisticated fraud and scams in recent years, which firms are generally more familiar with than the average customer;*
- in some circumstances, irrespective of the payment channel used, have taken additional steps, or made additional checks, or provided additional warnings, before processing a payment – as in practice Revolut sometimes does.*

Should Revolut have recognised that Mr C was at risk of financial harm from fraud and were the steps it took to warn him sufficient?

It isn't in dispute that Mr C has fallen victim to a cruel scam here, nor that he authorised the disputed payments he made to the fraudsters.

Whilst I have set out in detail in this provisional decision the circumstances which led Mr C to make the payments using his Revolut account, I am mindful that Revolut had much less information available to it upon which to discern whether any of the payments presented an increased risk that Mr C might be the victim of a scam.

Mr C had held his Revolut account since at least February 2021 and he used it frequently. Revolut has mentioned that it carried out compliance checks in relation to several large payments that took place in the days before the disputed transactions. I can see that Mr C withdrew £85,000 from his Revolut savings account and paid the same sum to an account which appears to be in his own name (and had received payments from his Revolut account many times before). Two days later (on 4 July 2022) he received the same sum from someone who I understand is a family member and paid it to the same account as the previous payment. Revolut, as part of its compliance checks was able to confirm that the payments were made to accounts under Mr C's control and, after reviewing information about the source of the funds, it didn't have any concerns.

⁴ BSI: PAS 17271: 2017 "Protecting customers from financial harm as result of fraud or financial abuse"

I've taken the above into account but I've also reviewed activity on his Revolut account in the six months before the scam. I can see that Mr C seems to have withdrawn around £80,000 from his savings account with Revolut and deposited a similar sum back into that account on a couple of occasions. He also received some fairly large payments into his account. But the largest payment out (other than those made between his accounts at Revolut or mentioned in the previous paragraph) was for £5,000 (and was made to what appears to be an existing payee).

I have considered the possibility that Revolut may not have been concerned by the payments which took place on 8 July 2022, given that they followed so soon after much higher value payments that they had been able to establish weren't of any concern. But, I don't think that it would be fair to say that the £85,000 payments were typical of the account or that they formed part of a pattern of regular high value payments. And those payments were also made to what appear to be existing payees.

So, while I can't see that there was any reason for Revolut to be concerned about payment 1 (it was for a modest sum and in line with typical account activity), the payment that followed stood out as being unusual – it was of a significant size and to a payee that had been created minutes before.

I'm persuaded there were other reasons for Revolut to be concerned about this payment. Mr C had contacted Revolut on the morning of 8 July 2022 and informed it that he'd received a missed call from Revolut. Revolut's adviser, in my view, recognised the risk that the call Mr C had received was not genuine as he asked whether Mr C had shared any details with the caller. He also said that Revolut only offers support through its in-app chat service and to have this in mind – implying that any contact might not have been genuine. So, when just two hours later, Mr C began making large payments to a new payee, I think Revolut, fairly and reasonably, should have factored the information it had received earlier that morning into its assessment of whether Mr C was at heightened risk of financial harm.

Considering the activity overall, I think Revolut should have recognised that Mr C might be at heightened risk of financial harm from fraud and should have taken steps to warn him before processing Payment 2.

Revolut has explained that it did provide a warning when a payment to each new payee was being made. That warning said:

“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 that fraudsters can impersonate others, and we will never ask you to make a payment”

While this warning does contain some information relevant to Mr C's circumstances, the warning isn't particularly prominently displayed, requires no interaction or engagement from the customer and, in my view, lacks sufficient context to have been impactful in the circumstances of this case. I don't consider it to be a proportionate response to the risk that Payment 2 presented.

Revolut also says that Mr C would have seen a message informing him that the payee name could not be checked for each new payee, but this message explains that the account details can't be checked, it doesn't provide any specific warnings about this type of scam.

Revolut also seeks to rely on warnings given in the months before the scam. I won't set out those warnings in full here, though I do accept that two mentioned number spoofing and this

particular type of scam. But those warnings were sent to Mr C months before the scam took place. It's unclear how these warnings were communicated to Mr C (it appears they may have been via email), but it doesn't seem that Mr C would have been required to engage or even acknowledge having read either warning.

Overall, I can't agree that any of the warnings provided were a proportionate response to the risk that Payment 2 presented.

What should Revolut have done in response to the risk presented by Payment 2?

I've thought carefully about the risk the payments presented here. Having done so, I think that a proportionate response to the risk the payments presented would be for Revolut to have attempted to establish the circumstances surrounding Payment 2 before allowing it to debit Mr C's account. Given the contact earlier that day, I think the onus was on Revolut to satisfy itself that Payment 2 was not related to the likely fraudulent call that Mr C had received. Revolut could have done this by, for example, delaying the payment and directing Mr C to its in-app chat function.

If Revolut had attempted to establish the circumstances surrounding Payment 2, would the scam have come to light and Mr C's loss from that point on been prevented?

I've considered this point carefully. I can see that there were sophisticated aspects to this scam – not least the involvement of multiple spoofed numbers. I can't rule out the possibility that the fraudsters would have successfully convinced Mr C to ignore any warnings provided by Revolut or to give a cover story under the guise of assisting to catch those whom it was claimed were threatening Mr C's account. But I don't find this to be more likely than not. H says that it cannot find any evidence that any of the transactions were flagged by its fraud detection systems and it is unable to confirm whether any written warnings were provided due to the passage of time. And, as Revolut didn't question the payments Mr C made, it can provide no compelling evidence that he would have misled it about the purpose of the payments or the surrounding circumstances.

So, Revolut should, once it had established why Mr C was making the payments, provided a very clear warning that explained, as a minimum, that it and any other organisation, such as the FCA, would never ask him to move money to a new account, that phone numbers could be spoofed and that he was falling victim to a scam.

I think, on the balance of probabilities, that's likely to have caused Mr C to stop. He didn't want to lose his life savings and I can see no reason for him to have continued to make the payment if he was presented with a warning of this nature.

I'm satisfied that had Revolut established the circumstances surrounding Payment 2, as I think it ought to have done, and provided a clear warning, Mr C's loss from and including Payment 2 would have been prevented.

Is it fair and reasonable for Revolut to be held responsible for some of Mr C's loss?

I have also taken into account Mr C's Revolut account was funded by payments from H (another regulated business) and Mr C might potentially have a claim against H in respect of its actions (although H is not a party to this complaint and so I make no finding about its role here). As noted, H has been contacted as part of the investigation into this complaint in an attempt to gather evidence relevant to the outcome.

Whilst the dispute resolution rules (DISP) give me the power (but do not compel me) to require a financial business to pay a proportion of an award in circumstances where a

consumer has made complaints against two financial businesses about connected circumstances, Mr C has not referred a complaint about H to me and DISP does not empower me to instruct Mr C to make or refer a complaint to me about another business.

Revolut has argued in submissions to our service that we are applying the provisions of the CRM Code to complaints against it, despite it not being a signatory and in circumstances where the CRM Code would not, in any case, apply.

I do not seek to treat Revolut as if it were a signatory to the CRM Code. I've explained the basis on which I think, fairly and reasonably, Revolut ought to have identified that Mr C was at risk of financial harm from fraud and taken further steps before Payment 2 debited his account.

Should Mr C bear any responsibility for his loss?

In considering this point, I've taken into account what the law says about contributory negligence as well as what's fair and reasonable in the circumstances of this complaint.

Having considered the matter carefully, I don't think that there should be any deduction from the amount reimbursed.

The tactics employed by the fraudsters are common, but nonetheless captivating to anyone unfamiliar with them. The seemingly innocuous Post Office text message asking Mr C to pay a very modest postage fee, was, when the calls later came, confirmation to Mr C that his account was really at risk. I recognise that he felt concern after coming to the realisation that he'd already fallen for the fraudster's trick by responding to the text message. Mr C was able to establish that the calls he received were from numbers genuinely associated with Revolut and H (though that doesn't seem to be the case in relation to the call from the 'FCA'). I can also see that Mr C spent several hours on the phone to the fraudsters. It's evident that this didn't give him the chance to reflect on the instructions he was being given.

Revolut puts significant weight on the fact that Mr C messaged the genuine Revolut about the call he received and that it told him that Revolut 'offers chat only support'. It's first important to note that Mr C's initial message clearly shows that he believed the call was from Revolut – he did not question its authenticity and seemingly had no reason to. Mr C says he didn't receive Revolut's final message until after the event. I have no reason to disbelieve this, but even if Mr C did see the message, it was coached in vague terms and didn't provide any specific warning about scams. So, I don't think it was unreasonable for him not to have understood it to mean that any call may be fraudulent.

Revolut also argue that it's evident Mr C had access to the Revolut application throughout and, at any time, could have asked it whether the requests were genuine. While I agree that such actions might have prevented the scam, the evidence suggests that Mr C genuinely thought he was speaking to Revolut and H – and there were good reasons for him to think that. I can't fairly conclude that Mr C should have verified the contact through the app, unless he had grounds to think that he wasn't talking to the genuine Revolut.

As I've already set out, I can't put significant weight on the warnings Revolut provided, through a number of different channels, prior to the scam taking place. The warnings provided by Revolut when each payment to a new payee was being created lacked sufficient context and prominence for me to fairly conclude that Mr C acted unreasonably by moving past it.

In relation to the warnings provided to Mr C in the months before the scam took place, if Mr C failed to read the warnings at all, that's unlikely to amount to negligence but even if he did, I need to take into account that this is a scam that works by applying pressure by claiming that a customer's funds are at risk. It would be unreasonable to expect Mr C to recall the details of such warnings, sent months before, in this situation.

I acknowledge that Mr C could have done more to verify that he was genuinely speaking to the firms involved and the request to move money from his accounts at H through his seemingly compromised account at Revolut might, in hindsight, have struck him as concerning. I also acknowledge that the message he received when making the first payment to each new payee should have put him on notice that the accounts he was paying might not be held in his own name.

But overall, I don't think there should be a deduction to the amount reimbursed. Mr C clearly didn't want to lose his money. His actions cannot be explained by carelessness or personal gain. There's little other explanation than that he believed what he was told by some very sophisticated fraudsters and in the circumstances I don't find his belief to be unreasonable. While Mr C might have regretted his own actions and he acknowledged he could have prevented the scam, for the reasons I've explained, I'm not persuaded that he should, as a layman, bear any responsibility for the loss. Unfortunately many scam victims, and indeed other victims of crime, blame themselves after such events and think about what they could've done differently – it would not be fair to consider this to amount to negligence, but rather the understandable reflections of a victim in the aftermath of a cruel crime.

My provisional decision

For the reasons I've explained, I'm provisionally minded to uphold this complaint about Revolut Ltd and instruct it to pay Mr C:

- *The loss from and including Payment 2, minus the amount recovered. I calculate this amount to be £61,452.38*
- *8% simple interest per year on that amount from the date of the payments to the date of settlement*

Mr C accepted my provisional decision. Revolut made some further comments, which I've summarised below:

- It disagrees that the fact Mr C contacted Revolut through its app to enquire about the calls shows that he was convinced of the call's legitimacy. If he did think the call was genuine, he would not have contacted Revolut through the app at all.
- The fact Mr C used the app to make the payments but failed to see the messages it had sent shows a degree of contributory negligence.
- The results of its AML checks (carried out a few days before the transactions) showed that Mr C was using the account for various purposes and those purposes were consistent with the disputed activity that followed.
- While it acknowledges that DISP does not empower me to instruct a complainant to refer a new complaint, I do have the discretion under DISP 3.5.2 to inform the complainant that it might be appropriate to make a complaint against another respondent.
- It acknowledges that H was contacted as part of the investigation and it asks me to consider any interventions by H and the 'attitude adopted' by Mr C during those checks.

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.

In deciding what's fair and reasonable in all the circumstances of a complaint, I am required to take into account relevant: law and regulations; regulators' rules, guidance and standards; codes of practice; and, where appropriate, what I consider to have been good industry practice at the time.

I've carefully considered Revolut's further submissions, but they don't persuade me to reach a different outcome to that reached in my provisional decision. While I've already addressed some of the points raised in that provisional decision, where necessary, I've addressed its further submissions below.

Mr C's initial message to Revolut does not, in my view, suggest that he doubted the legitimacy of the fraudulent call, but rather that he wanted to find out what it related to, so I think that initial contact does suggest he believed the fraudulent call was legitimate.

I'm not sure how obvious it would have been to Mr C that he'd received a message from Revolut while he was making the disputed transactions. He says that it wasn't apparent to him. But, in any case, for the reasons I've already outlined, given the situation Mr C found himself in, I can't agree that a failure to check for any messages received from Revolut amounts to contributory negligence.

I've already explained why I think, even taking into account some of the other high value payments that took place on Mr C's account prior to the scam, the disputed activity stood out as being unusual and should have indicated to Revolut that Mr C might be at risk of financial harm from fraud. I don't have anything further to add to this point.

DISP 3.5.2 only gives me the power to inform Mr C that he could complain about another business (a fact, I suspect, he's already aware of), it does not compel me to do this and it does not allow me to compel Mr C to bring such a complaint in addition to, or instead of, this complaint. And, for the reasons I've already set out, I've decided that it is fair and reasonable for Revolut to be held responsible for Mr C's loss in these circumstances.

Finally, as noted, H can provide no evidence that it did intervene, provide warnings or question the payments Mr C made. It follows that there is nothing for me to consider in this regard.

My final decision

For the reasons I've explained, I uphold this complaint about Revolut Ltd and instruct it to pay Mr C:

- The loss from and including Payment 2, minus the amount recovered. I calculate this amount to be £61,452.38
- 8% simple interest per year on that amount from the date of the payments to the date of settlement

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 12 June 2024.

Rich Drury
Ombudsman