

The complaint

Mr N is unhappy that Revolut Ltd won't refund his losses from an investment scam.

What happened

Mr N became involved with fraudsters purporting to be an investment broker that I'll refer to as 'M'. Believing he was investing and earning significant profits, a number of payments were sent from his newly created Revolut account over the course of several months.

Mr N later wanted to withdraw his funds and M asked him to pay a significant fee to do this. Mr N told them he didn't have the money and, after looking into the matter further, he realised he'd been the victim of a scam. He raised these payments with Revolut, who declined to refund them. So he brought the matter to our service to investigate.

The details of the disputed payments from Mr N's Revolut account are as follows:

Date	Event	Amount
28 April 2023	Card payment to Wallbitex Exchange	£999.61
28 April 2023	Card payment to Wallbitex Exchange	£3,979.79
29 May 2023	Card payment to Wallbitex Exchange	£4,565.70
29 May 2023	Card payment to Wallbitex Exchange	£413.63
1 June 2023	Card payment to Wallbitex Exchange	£4,508.14
1 June 2023	Card payment to Wallbitex Exchange	£466.09
27 June 2023	Card payment to Wallbitex Exchange	£1,574.82
10 July 2023	Card payment to Wallbitex Exchange	£1,999.88
20 July 2023	Card payment to Wallbitex Exchange	£4,559.67
20 July 2023	Card payment to Wallbitex Exchange	£387.59
24 July 2023	Card payment to Wizarbit	£405.71
24 July 2023	Card payment to Wizarbit	£4,538.14
25 July 2023	Card payment to Wizarbit	£4,515.96
25 July 2023	Card payment to Wizarbit	£4,391.51
27 July 2023	Card payment to Wizarbit	£4,453.31
28 July 2023	Card payment to Wizarbit	£4,503.39
28 July 2023	Card payment to Wizarbit	£2,573.56
28 July 2023	Faster Payment to individual	€1,000.00
28 July 2023	Faster Payment to individual	€3,989.00
28 July 2023	Faster Payment to individual	€62.00
	Totals	£48,839.50
		€5,051.00

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 outcome as our investigator for these reasons:

- The starting position is that Revolut is expected to process payments that Mr N authorises it to make, in accordance with the Payment Services Regulations 2017.
- Mr N hasn't disputed our investigator's conclusion that the disputed payments would fairly be regarded as authorised. And for completeness, I agree. That's given Mr N's conversations with M show he understood payments were being made, and how Revolut's technical evidence shows his device's involvement in making the payments. So I think it's fair to say he either made these payments or gave permission for someone else to make them on his behalf.
- It follows that Mr N is presumed liable for the losses from these payments in the first instance.
- However, there are circumstances when it might be appropriate for Revolut to take additional steps before processing a payment. Such as when there are grounds to suspect the payment presents a fraud risk.
- Looking at the disputed payments, I'm minded to say that Revolut ought to have intervened – and, as the payment frequency increased, that intervention likely should've gone beyond an automated warning, and involved it reaching out to him to ask more questions about the circumstances of the payment. Given how Revolut operates, I accept that's likely to have been a conversation in its app (as opposed to a phone call).
- But having considered the matter carefully, I'm not persuaded that any reasonable intervention by Revolut would've unravelled the scam in Mr N's eyes and prevented his losses.
- In saying that, I accept that I can't say for certain how he would've reacted. But civil disputes like these are only ever decided on the balance of probabilities – in other words, what's more likely than not to have happened. Here, I think it's more likely he would've still gone ahead with the payments based on the following:
 - When Mr N had to move money from his Barclays' account to Revolut at the start of the scam, M told him to tell Barclays he was simply moving money between his own accounts, in order to prevent delays and further questions. And having listened to Mr N's call with Barclays, he followed that advice and didn't reveal it was in fact connected to an 'investment'. While I recognise this isn't an example of detailed coaching, I consider it still shows a level of trust between Mr N and M from the very outset and a willingness to mislead a firm.
 - Mr N believed M was in some way connected to Revolut – hence why he needed to open a Revolut account. And it seems from his WhatsApp conversations with M that Mr N had calls with 'finance' to guide him through making the payments, which involved remote access software. So, had Revolut raised questions through its in-app chat facility or provided warnings, I think it's likely Mr N would've been more persuaded by the person he was on the phone to either provide a cover story or ignore any warnings. Particularly as he believed 'finance' were ultimately connected to Revolut.
 - Indeed, I note Mr N seemed content to trust 'finance's advice and instructions without particular scrutiny. From the WhatsApp conversations and payment records, it appears that during one of their calls, he sent three payments to individuals, and selected the purpose of a payment as a 'safe account'. In the

subsequent WhatsApp messages, Mr N described it as being a bit complicated, but it's not suggested he was otherwise concerned by what was happening.

- I've also considered how overall, this was a particularly sophisticated scam – involving fake platforms, webinars, reviews and blog posts. And it's clear they were well-prepared to confidently answer any of Mr N's questions – for example, they'd an elaborate, persuasive answer to questions about regulation from the FCA, and they were keen to generally stress banks' untrustworthiness. I'm mindful that this sophistication and the 'us versus them' mentality would've made it difficult for Revolut to both uncover the scam and for any warnings to land effectively.
 - Moreover, I'm persuaded Mr N was particularly taken in by the scam and the prospect of earning significant profits. He deposited a significant amount of money and borrowed from friends. And it seems he might have been aware of some concerns but carried on regardless – he mentions in his WhatsApp conversation that he '*saw everything online but [he] still didn't listen*'. I think this again demonstrates a degree of trust and enthusiasm that would've made it particularly difficult for Revolut to either uncover the scam or effectively warn him about it.
 - Finally, I've considered that all of these disputed payments were seemingly connected to Mr N making further investments. As opposed to supposed 'fees' in connection to a withdrawal, which people tend to be more sceptical of – indeed, this is what ultimately unveiled the scam in this case.
- Taking these points all together, I'm not convinced it's likely that Mr N would've answered Revolut's questions accurately for them to be able to effectively warn him. Or that, even if Revolut had warned him, he would've decided not to go ahead with the payments. It follows that I don't think Revolut can be fairly blamed for failing to stop Mr N's losses.
 - As well as whether Revolut could've stopped Mr N's losses, I've also considered whether Revolut could've done more to recover the money when he reported this scam. But for the card payments, I don't think there was any reasonable prospect of a chargeback claim succeeding – given the limited grounds available to claim in what is ultimately a voluntary scheme run by the card issuer. For the faster payments, it seems the funds were quickly transferred or spent using card payments. So I don't think more could've been done that would've likely recovered the money.
 - I do appreciate how disappointing this will be for Mr N, who was taken in by a particularly clever and horrible scam. And I don't doubt that he's a victim in this situation. But for the reasons I've explained, I don't think his losses can be attributed to something Revolut did wrong. So I don't uphold his complaint.

My final decision

For the reasons I've explained, I don't uphold Mr N's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr N to accept or reject my decision before 22 August 2024.

Emma Szkolar

Ombudsman