

The complaint

Mr H complains that Revolut Ltd won't refund several payments he says he made and lost to a scam.

What happened

The background to this complaint is well-known to both parties, so I won't repeat it in detail here. But in summary and based on the submissions of both parties, I understand it to be as follows.

Mr H complains that from August 2023 he made 20 payments to what he thought was a legitimate Job.

Payment 1	12/08/2023	£53.00
Payment 2	12/08/2023	£71.71
Payment 3	13/08/2023	£171.19
Payment 4	13/08/2023	£534.72
Payment 5	13/08/2023	£1,339.31
Payment 6	23/08/2023	£302.10
Payment 7	23/08/2023	£402.80
Payment 8	23/08/2023	£201.40
Payment 9	23/08/2023	£20.00
Payment 10	23/08/2023	£2,000.00
Payment 11	23/08/2023	£2,560.00
Payment 12	24/08/2023	£5.77
Payment 13	25/08/2023	£1,711.90
Payment 14	25/08/2023	£1,711.90
Payment 15	25/08/2023	£553.85
Payment 16	25/08/2023	£5,300.00
Payment 17	27/08/2023	£1,711.90
Payment 18	27/08/2023	£1,711.90
Payment 19	27/08/2023	£1,409.80
Payment 20	27/08/2023	£1,475.76
		£23,249.01

Mr H says he was contacted on a third-party messaging service and offered an opportunity to work and earn money completing tasks.

Mr H says that he started to send money and complete tasks, but it was when he was asked to send a much higher amount that he realised he'd been scammed. So, he logged a complaint with Revolut.

Revolut looked into the complaint but didn't uphold it. It didn't think it had done anything wrong by allowing the payments to go through, after it had given Mr H multiple warnings. So, Mr H brought his complaint to our service.

Our investigator looked into the complaint but also didn't uphold it. As Mr H didn't agree with the investigator's view, the complaint's been passed to me for a 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.

Having done so, I've come to the same outcome as the investigator for largely the same reasons. I'll explain why.

I'm very aware that I've summarised this complaint briefly, in less detail than has been provided, and in my own words. No discourtesy is intended by this. Instead, I've focussed on what I think is the heart of the matter here. If there's something I've not mentioned, it isn't because I've ignored it. I haven't. I'm satisfied I don't need to comment on every individual point or argument to be able to reach what I think is the right outcome. Our rules allow me to do this. This simply reflects the informal nature of our service as a free alternative to the courts.

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.

But, taking into account relevant law, regulator's 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 August 2023 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;
- have acted to avoid causing foreseeable harm to customers, for example by maintaining adequate systems to detect and prevent scams and by ensuring all aspects of its products, including the contractual terms, enabled it to do so;
- 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 including in relation to card payments);
- have been mindful of – among other things – common scam scenarios, how the fraudulent practices are evolving (including for example the common use of multi-stage fraud by scammers, including the use of payments to cryptocurrency accounts as a step to defraud consumers) and the different risks these can present to consumers, when deciding whether to intervene.

In the circumstances of this complaint, Revolut did intervene on four of the payments Mr H made to the scammer.

On the first payment of £1,339.31 on 13 August 2023, Mr H put the payment purpose as "safe account". This led to the Revolut advisor giving Mr H relevant warnings for the purpose he selected. Mr H went on to say that he was paying a friend, which we now know wasn't accurate.

Revolut then intervened on 25 August 2023 for the payment of £1,711.90. Once again Mr H selected "safe account" as the payment purpose and said that it was a personal payment for a friend.

Revolut intervened on the payment on 27 August 2023 and Mr H said the payment was for goods and services, and on a later payment on that day of £1,409.80 for which he said he was buying some marketing services for promoting his products at his online shop

Mr H was given a safe account and goods and services specific warnings which were the payment purposes he selected. He then proceeded to make the payment and further payments after the warnings were given.

Throughout each payment and subsequent intervention, Mr H wasn't being accurate or forthcoming with the true purpose of the payments. Revolut was giving warnings based on the information it had and Mr H was reassuring the advisors that he was comfortable with who the payments were going to. Having considered the intervention questions asked during each intervention chat, I'm satisfied they were proportionate to the payment value and the indefinable risk involved at the time. Mr H also told Revolut a number of times he was paying friends and as the payments were sent to individuals rather than businesses, I don't think this would have raised any further concerns. Unfortunately, as Mr H wasn't answering the questions the advisors were asking accurately, it was much more difficult for the bank to detect that Mr H was falling victim to a scam.

Therefore, taking everything into account, I don't think Revolut could have prevented Mr H's loss.

Recovery

Revolut did try to recover some of the payments made as part of the scam, but the receiving banks responded to say the funds were no longer available. Revolut has said the remaining payments were unrecoverable as they were made direct to the debit cards of the scammer. However, even if they had been able to request these, I think the chances of recovery were unlikely. Mr H reported the scam on 08 December 2023, which in my view was too late. Sadly, it is quite typical with these types of scams for fraudsters to move money away from the beneficiary account, straight after the payments are made, presumably to frustrate the efforts of this type of recovery.

Mr H feels that Revolut should refund the money he lost due to the scam. I understand that this will have been frustrating for him, but I've thought carefully about everything that has happened, and with all the circumstances of this complaint in mind I don't think Revolut needs to pay Mr H any compensation. I realise this means Mr H is out of pocket and I'm really sorry Mr H's lost this money. However, for the reasons I've explained, I don't think I can reasonably uphold this complaint.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 19 January 2025.

Tom Wagstaff
Ombudsman