

## The complaint

Mr D 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 D complains that from March 2024 he made six payments to someone he met on a dating website.

Payment 1	11 March 2024		€ 1,900.00
Payment 2	13 March 2024		€ 1,471.99
Payment 3	26 March 2024	£1,600.00	
payment 4	09 April 2024	£50.00	
Payment 5	10 April 2024	£1,000.00	
payment 6	11 April 2024	£350.00	
		£3,000.00	€ 3,371.99

Mr D says he met an individual through an online dating site and sent her money for a Visa and to pay fees towards releasing an inheritance into a new bank account.

When Mr D lost contact, he realised he'd been scammed. So, he raised a complaint to 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. So, Mr D brought his complaint to our service.

Our investigator looked into the complaint but also didn't uphold it. Our investigator didn't find the payments were suspicious or unusual enough to trigger any of Revolut's automatic fraud detection systems. They also didn't find Revolut had failed to recover the money when Mr D reported it.

As Mr D 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 July 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.

But here, having considered the amount of money sent to the scammer, I agree with the investigator when he said that these payments wouldn't look sufficiently out of character given their size and wouldn't have triggered Revolut's payment checking process.

It is worth noting that although some international payments can look out of character for a regular account, Mr D had made previous payments in Euro's. Mr D also selected foreign exchange as an account opening reason. So, this is another reason I don't think these payments would've looked out of character for the account.

Mr D was also given a new payee warning at the beginning of the scam and the scammer coached Mr D through how to answer the questions. I'm satisfied this was a proportionate

warning given what I've said above about the value of the payments. I don't feel Revolut could've or should've reasonably done anything more here to prevent Mr D from sending the money to the scammer.

### *Recovery*

After the payments were made, I couldn't reasonably expect Revolut to have done anything further until Mr D told it that he had been scammed.

I've considered the payments that were sent to personal accounts and although Revolut have tried to recover these from the third parties involved, the receiving bank is yet to respond. Mr D reported the scam around three days after the last payment, which is likely to be too late. I say this as from what we know about scammers, they move the money within the first 24hrs on to other accounts.

Mr D 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 D any compensation. I realise this means Mr D is out of pocket and I'm really sorry Mr D'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 D to accept or reject my decision before 17 November 2024.

Tom Wagstaff  
**Ombudsman**