

## The complaint

Mr P complains that Revolut Ltd won't refund the full amount of money he lost after he fell victim to an 'authorised push payment' ("APP") 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 P complains that from November 2023 he made five payments to what he thought was a legitimate investment from his Revolut account.

Payment 1	19 November 2023	400 Euros
Payment 2	19 November 2023	400 Euros
Payment 3	20 November 2023	500 Euros
Payment 4	21 November 2023	500 Euros
Payment 5	21 November 2023	1,000 Euros
Total		2,800 Euros

Mr P says he was approached on a third-party social media platform by an individual who convinced him to go into a joint business venture. Mr P says the individual told him she was already trading, and she built a relationship with Mr P by sending him pictures, having video calls, and sending him what looked like genuine documents.

Mr P says he started to send payments and in return the business he thought he had set up and invested in started to receive orders.

Mr P says he was then asked to pay a refundable deposit by the customer services department of the website he was trading on.

When Mr P tried to withdraw half of the profit they had made, he was told he needed to pay a 25% tax. Mr P says he paid this sum by sending money from several different banks. Mr P was then told he needed to pay a number of other taxes.

Mr P then says the scammer who he thought was his business partner told him a number of different stories to get him to send more money. At this point he realised he'd been scammed. So, Mr P logged a claim with Revolut.

Revolut didn't think it had done anything wrong by allowing the payments to go through. So, Mr P brought his complaint to our service.

Our investigator looked into the complaint but didn't think it should be upheld. Our investigator didn't find the payments were large enough to concern Revolut or trigger any of its automatic fraud prevention systems.

Mr P didn't agree with the investigator's view, so 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.

### Prevention

In broad terms, the starting position in law is that a bank is expected to process payments and withdrawals that a customer authorises it to make, in accordance with the Payment Services Regulations and the terms and conditions of the customer's account. And I have taken that into account when deciding what is fair and reasonable in this case.

I'm satisfied that although Mr P didn't intend for his money to go to a fraudster, he did authorise the payments. I understand he wouldn't have authorised the payments if he had known this was a scam, but Revolut is expected to process payments that a customer authorises or instructs it to make, and that is what it did. The Payment Services Regulations (PSRs), state that payments are authorised if the payer consented to them and, in this case, I'm satisfied Mr P consented to the payments as at the time, he believed he was making payments for the purposes of a legitimate investment.

However, where the customer has been the victim of a scam, it may sometimes be fair and reasonable for the bank to reimburse them even though they authorised the payments.

Taking into account the law, regulatory rules and guidance, relevant codes of practice and what I consider having been good industry practice at the time, I consider Revolut should fairly and reasonably:

- Have been monitoring accounts – and any payments made or received – to counter various risks, including anti-money laundering, countering the financing of terrorism, and preventing fraud and scams;
- Have had systems in place to look out for unusual transactions or other signs that might indicate its customers were at risk of fraud (amongst other things). This is particularly so given the increase in sophisticated fraud and scams in recent years, which banks are generally more familiar with than the average customer; and
- In some circumstances, irrespective of the payment channel used, have taken additional steps, or made additional checks, before processing a payment, or in some cases declined to make a payment altogether, to help protect customers from the possibility of financial harm from fraud.

Our service has referenced the relevant rules, codes of practice and good industry practice at the time in many previous decisions published on our website.

Having considered the circumstances of the payments Mr P made, I very much agree with the investigator when they highlighted that the payments were reasonably in line with other payments Mr P was making from his account around that time. Mr P had previously made payments of around the same amount, and the scam payments just wouldn't have reasonably stood out in my opinion as suspicious or otherwise remarkable given the prior account history. So, for materially the same reasons as explained by our investigator, I'm not persuaded Revolut ought to have been obliged to have flagged them as suspicious or unusual before following Mr P's instructions to send them. I'm therefore satisfied that I can't fairly say that Revolut unreasonably missed an opportunity to prevent the payments (nor therefore Mr P's loss) before they were sent.

### Recovery

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

Once Revolut was notified, it did take longer than it should have done to contact the scammer's bank. Revolut contacted the third-party bank on 13 March 2024 and hasn't heard back. So, I've considered whether Revolut reporting this late has impacted Mr P's chances of recovering any of the funds.

Given what we know of scammer's and how they move money following a payment, it's most likely the money would've been moved on no later than 24hrs after it was sent. Given Mr P reported the scam some two months after the last payment was sent from his Revolut account, I'm satisfied any chances of recovery would have been unlikely. So, I'm satisfied I can't fairly hold Revolut responsible for Mr P being unable to recover the funds.

I understand Mr P has said that he has information that one of the scammer's accounts has been frozen with a third-party bank, and this should aid recovery by Revolut. I understand the point Mr P is making here, but Revolut has tried to recover the money now and they haven't had a response from the third-party bank. So, I'm satisfied there isn't any more it can do here, and the outcome would've most likely been the same had it been raised any earlier when Mr P reported it.

I realise this means Mr P is out of pocket. And I'm sorry he lost this money. But I think this was ultimately caused by the scammer's here, and not Revolut. I can't reasonably ask Revolut to reimburse Mr P in circumstances where I don't think it ought reasonably to have prevented the payments or recovered them.

### **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 P to accept or reject my decision before 22 September 2024.

Tom Wagstaff  
**Ombudsman**