

Complaint

Miss A is unhappy that Revolut Ltd didn't reimburse her after she fell victim to a scam.

Background

In September 2023, Miss A fell victim to a scam. She was selling her mobile phone on an online marketplace. Someone contacted her to ask about it. A price of £300 was agreed. Unfortunately, that person wasn't a genuine buyer of the phone, but a fraudster.

The fraudster told Miss A that they'd accidentally sent the £300 twice. They asked if she could return the overpayment. She then received an email which appeared to have been sent by a bank, which I'll refer to as M. This email appeared to back up the story that the fraudster had given her. Unfortunately, it was fake. Nonetheless, it persuaded Miss A to make the payment. Shortly afterwards, she received another email that claimed to have been sent by the National Crime Agency. This told Miss A that there were taxes associated with the sale of the phone and that, if she didn't pay them, she'd face potential criminal sanctions.

She used her Revolut account to make the following payments on 26 September 2023:

	Payee	Value
1	A	£300
2	A	£300
3	B	£300
4	C	£500

Once she realised she'd fallen victim to a scam, she notified Revolut. It didn't agree to refund her. Miss A wasn't happy with that response and so she referred her complaint to this service. It was looked at by an Investigator who didn't uphold it. The Investigator noted that, for 3 of the payments, Miss A had to go through a payment review process on the Revolut app. This led to the app showing her a warning that she might be falling victim to a scam and asking her to confirm she understood that she wouldn't get her money back if that turned out to be the case. The Investigator was persuaded that the steps Revolut had taken were proportionate, given the level of risk.

Miss A didn't agree with the Investigator's opinion and so the complaint has been passed to me to consider and come to a final decision.

Findings

I've considered all the available evidence and arguments to decide what's fair and

reasonable in the circumstances of this complaint.

In broad terms, the starting position at law is that a firm is expected to process payments and withdrawals that a customer authorises, in accordance with the Payment Services Regulations 2017 and the terms and conditions of the customer's account. However, that isn't the end of the story. Good industry practice required that Revolut be on the lookout for account activity or payments that were unusual or out of character to the extent that they might indicate a fraud risk. On spotting such a payment, I'd expect it to respond in a manner that reflects the level of risk identified. Whether a warning should be provided (and, if it should, the nature and extent of that warning) should be proportionate to the risk the payments present and strike a balance between trying to protect customers and not unduly inconveniencing them.

We now know that Miss A was being targeted by a fraudster. The question I have to consider is whether Revolut ought to have been aware of that risk, given the information that was available to it at the time. I've considered that point carefully, and I'm not persuaded it would've had reasonable grounds to do more than it did here (i.e., provide Miss A with a general warning). The payments weren't particularly large, and Miss A had selected that the first was being made to 'friends and family'. Revolut asked Miss A to go through a payment review process on its app and that process resulted in her being shown some general warnings. I'm satisfied that was a proportionate response to the risk associated with those payments.

I don't say any of this to downplay or diminish the fact that Miss A has fallen victim to a cruel and cynical scam. I have a great deal of sympathy for her and the position she's found herself in. However, my role is limited to looking at the actions and inactions of the business and I'm satisfied it didn't do anything wrong here.

Final decision

For the reasons I've explained above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss A to accept or reject my decision before 6 September 2024.

James Kimmitt
Ombudsman