

The complaint

Mr M complains about Revolut Ltd.

He says that Revolut didn't do enough to protect him when he became the victim of a scam and would like it to refund him the money he has lost as a result.

What happened

Mr M received an unsolicited message from an individual offering a task-based employment opportunity. Mr M would be required to purchase tasks via cryptocurrency and would then be paid commission.

Mr M agreed to take up the opportunity and made the following payments from his Revolut account.

Payment	Date	Payee	Payment type	Amount
1	24 June 2023	NTP	Faster payment	£7,500
2	25 June 2023	Exchange to USD	N/A	£5,300
3	25 June 2023	NTP	Faster payment	£5,200
4	26 June 2023	CL	Faster payment	£1,583.60
5	26 June 2023	MM	Faster payment	£855.89
6	27 June 2023	NTP	Faster payment	£9,000
7	28 June 2023	NTP	Faster payment	£3,000
8	30 June 2023	NTP	Faster payment	£4,310
			Total loss	£31,449.49

Unfortunately, Mr M had fallen victim to a scam which he realised when he was told he needed to pay excessive amounts of tax in order to access the money he thought he had made.

He made a complaint to Revolut, but it didn't uphold his complaint. Unhappy, he brought his complaint to this Service.

Our investigator looked into things but didn't think that Mr M's complaint should be upheld, so the complaint has been passed to me.

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 decided not to uphold this complaint, for broadly the same reasons as our Investigator. I know this will be disappointing for Mr M, so I'll explain why.

In broad terms, the starting position at law is that banks and other payment service providers (PSP's) are 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's fair and reasonable in this case.

Mr M authorised the payments in question here – so even though he was tricked into doing so and didn't intend for the money to end up in the hands of a scammer, he is presumed liable in the first instance.

But this isn't the end of the story. As a matter of good industry practice, Revolut should also have taken proactive steps to identify and help prevent transactions – particularly unusual or uncharacteristic transactions – that could involve fraud or be the result of a scam. However, there is a balance to be struck: banks had (and have) obligations to be alert to fraud and scams and to act in their customers' best interests, but they can't reasonably be involved in every transaction

Taking into account the law, regulator's 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 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 banks are generally more familiar with than the average customer.
- 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.

In this case, I need to decide whether Revolut acted fairly and reasonably in its dealings with Mr M when he authorised payments from his account or whether it could and should have done more before processing them.

Although the account was newly opened, and Mr M said that the purpose of the account was for cryptocurrency payments, I still think that Revolut should have been concerned by the payments Mr M was making from the first payment he made, given the size of the transaction.

I understand that Revolut provided Mr M with several warnings throughout the payment journey he was making in relation to crypto investment scams and safe account scams – but these weren't relevant to the scam Mr M was falling victim to. I think that a more detailed in-app chat would have been more proportionate given the amount of money moving through Mr M's account. I understand that this took place after Mr M had made his final payment of £9,000. During this chat, Mr M confirmed that he wasn't making payments as part of a scam, and that he had undertaken extensive research and had previously invested in crypto and wanted to start again.

While I think that this intervention took place too late, and wasn't as detailed as I would expect, Mr M didn't divulge to Revolut the reality of what was actually happening and explain that he was making the payments as part of an employment opportunity, and I'm not persuaded that a better intervention would have prevented the loss.

In reaching my decision, I have also taken into account a conversation Mr M had previously had with 'M' – his other bank, when he was making payments from his account held with it. During this conversation, Mr M again didn't divulge the truth about what was going on – he told M that there was no third party involved in the payments, and that he hadn't been contacted by anyone else. Mr M also told M that he intended to leave the money in his crypto wallet, and that he was knowledgeable about crypto investments.

So, even if Revolut had intervened in a more meaningful way, I am unable to say that Mr M would have provided information which would have enabled it to uncover the scam.

I am very sorry for the situation Mr M now finds himself in, I know that he has lost a lot of money and is understandably upset by what has happened – but the loss he has suffered has been caused by the scammer – not Revolut – and I don't think it would have been able to prevent the scam given the above.

My final decision

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 3 October 2024.

Claire Pugh
Ombudsman