

The complaint

Ms J has complained that Revolut Ltd didn't do enough to prevent her falling victim to a scam when transferring money from her account.

Ms J has been helped in bringing her complaint by a claims management company (CMC). For ease of reading, I will refer to any comments of the CMC as being those of Ms J.

What happened

Ms J said she was approached with an investment opportunity by someone, who I will refer to as the scammer, on a well-known social media platform. The scammer recommended that the conversation move to a messaging app which Ms J agreed to. Ms J spoke to more than one individual throughout the scam but, for ease of reading, I will refer to them collectively as the scammer.

Ms J said she was referred to a professional website, provided with reams of investment information and the scammer could answer questions to a professional standard. Given how plausible Ms J found the scammer she agreed to the investment opportunity and downloaded a remote viewing app which allowed the scammer access to her device.

Ms J transferred money to her Revolut account from an account she held with a high street bank which I will refer to as L. From her Revolut account, she then made six payments to five different accounts held in individuals' names. However, when Ms J asked to withdraw some money the scammer told her that she would need to make further payments to access her money. When the scammer insisted that Ms J would need a licence to be paid, she realised she had fallen victim to a scam.

Ms J complained to Revolut about the six transactions set out in the table below. She said that the payments were out of character for her and so Revolut should have intervened. She said that if Revolut had intervened it would have realised the payments were not legitimate and prevented her from making them. Ms J asked Revolut to reimburse her for her loss and to add 8% interest.

Date	Amount	Money transferred to
09.03.23	£200	O
10.03.23	£680	B
05.04.23	£10,000	A
05.04.23	£10,000	A
11.04.23	£1,520	K
05.05.23	£8,000	P

Total	£30,400	
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Revolut refused to reimburse Ms J as it thought its level of intervention was appropriate. So Ms J brought her complaint to our service.

In its response to us, Revolut said:

- Ms J opened her account in 2020 and declared the account purpose of *Scheduling Payments, Transfers and Cashback*.
- It provided a *Transfer Review Warning* to Ms J for each of the five times she set up a new beneficiary. This asked if the sender knows and trusts the payee, as fraudsters can impersonate others. It believes its warnings are appropriate.
- Its Terms & Policies make clear that it is not responsible if it makes a payment a customer asks it to, and it might not be able to recover any money lost.
- After Ms J acknowledged the *Transfer Review Warnings* it intercepted transfers on 5 April 2023, 11 April 2023 and 5 May 2023 and provided a warning to Ms J that these transfers were possibly high risk. It provided Ms J with a link to a national Stop Fraud Campaign and cancelled the transfers. However, Ms J initiated new transfers which she completed.
- Ms J was being coached by the scammer who had advised her to not provide accurate information.
- Revolut does not owe a duty to prevent fraud and scams and for an Ombudsman to uphold this complaint without proper regard to the extensive warnings given or the customers lack of care would be irrational.
- The reimbursement codes and rules do not generally apply.
- Ms J contacted Revolut about the scam on 23 May 2023 but did not report it and provide substantial information until 9 June 2023. It looked into recovery of the money but was unable to recover the funds due to the money being transferred to accounts held in another country.

Our Investigator contacted L to ask for information about the payments made from it to her Revolut account. English is not Ms J's first language so some of the contact between L and Ms J was through a friend who translated for her. L provided copies of some of its calls with Ms J and her friend, during which it had identified concerns about the payments and the number of devices being used to access her account. As a result, L asked Ms J to visit a branch on 31 March 2023 and 5 April 2023 to discuss the purpose of some of her payments, which she said were for home improvements in another country. Following Ms J's visits to the branch, L allowed her to make the payments to her Revolut account.

Our Investigator looked into Ms J's complaint and didn't recommend it be upheld. While he thought that Revolut should have done more to intervene in the transactions made by Ms J, he thought it was more likely than not that Ms J wouldn't have provided accurate information to Revolut. Overall, he didn't think proportionate intervention by Revolut would have prevented the payments being made to the scammer.

Ms J disagreed and asked for an Ombudsman's decision. In summary, she said:

- Final decisions from our service have confirmed that banks need to ask open, probing questions when intervening and hold customer answers to a reasonable level of scrutiny.
- Banks should use their knowledge of fraud types and trends when questioning victims. They should not take customers at face value and should take account of the fact that some scams typically involve some level of coaching.
- The intervention by L was insufficient and should not be considered a reflection of what would have happened if Revolut had intervened. For example, L should not have used Ms J's friend as a translator who added in their own explanations, it should have further investigated its knowledge of the number of devices which had accessed the account, should have probed further into Ms J's cover story about home improvements in another country and should have asked to see Ms J's Revolut statements to consider whether the onward payments matched her account of what she told them the payments were for.
- If Revolut had carried out the intervention it should have done, with open and probing questions, it would have uncovered the scam, as Ms J would not have been able to provide a reasonable explanation of why she sent £30,000 to five different accounts.
- An internet search would have shown Revolut that the payees of the accounts were from a number of different countries.
- Revolut should have been aware that cryptocurrency is often acquired from other people.

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 am not upholding this complaint. I will explain why.

The starting point under the relevant regulations – the Payment Services Regulations 2017 – is that Ms J is responsible for payments she's authorised herself. But, taking into account the relevant rules and guidance and what I consider to have been good industry practice at the time, I think Revolut ought, fairly and reasonably, to have been on the lookout for unusual and out of character transactions that might indicate its customer was at risk of financial harm from fraud.

Where a firm like Revolut does have grounds to be concerned about a payment, I think it should reasonably take steps to warn its customer about the risk of proceeding. Whether a warning should be provided (and, if it should, the nature and extent of that warning) should be proportionate to the risk the payment presents and strike a balance between trying to protect customers and not unduly inconveniencing them. I must also take into account that applying significant friction to all payments would be very onerous and would likely be impractical for Revolut.

It doesn't seem to me to be in dispute that Ms J has fallen victim to a sophisticated scam here. Ms J said that some of the earlier payments had been made by the scammers accessing her device remotely while she watched, although she does not recall which ones. From what she's told us, I believe that she consented to the transfers.

I have taken into account the points that Revolut has made about why its intervention was

proportionate, including that Ms J held her account since 2020 and that one of the account's declared purposes was to make transfers. I have also considered the *Transfer Review Warnings* provided by Revolut and that Revolut intercepted and cancelled payments on 5 April 2023, 11 April 2023 and 5 May 23 and provided Ms J with warnings that the payments were potentially high risk. However, given the amount and frequency of some of Ms J's payments that look to be unusual and out of character for her, I don't think Revolut's intervention was proportionate.

While they were to new payees, I don't particularly think that the payments of £200 and £680 should have caused Revolut to intervene further. They were for relatively modest amounts and fairly spread out. However, the transfers of £10,000 on 5 May 2023 appear to be significantly larger than Ms J's usual transactions. And while it did intercept and cancel some transfers and provided a written warning, I think Revolut should have done more to look into whether Ms J was at risk of financial harm.

However, even if Revolut had got in touch with Ms J through its chat function and asked open and probing questions I think it's more likely than not that Revolut would not have prevented Ms J from making the payments to the scammers.

I appreciate that Ms J doesn't think L's intervention was sufficient. As this complaint is against Revolut I can't make a finding on whether L's intervention was sufficient, but I take Ms J's point that different questions might have led to different answers. However, it's impossible to know exactly what would have happened and I have to make a decision based on what I think is more likely than not. And in this particular case, I still don't think a proportionate intervention from Revolut would have prevented the transfers being made.

During the calls with L, Ms J, via her friend translating, said that the money was for home improvements and provided a list of the types of purchases this included. She said she had transferred the money to her Revolut account to get a better exchange rate. During a call Ms J was asked if anyone else had access to her bank account or devices. She said "no" which was not accurate as she's told us that the scammer was able to access her device. L also told her that the payment had been identified as being a higher than normal risk as being part of a scam, but Ms J said L wasn't correct. I do not have the exact questions Ms J was asked when she went into the branch but, from L's notes, Ms J continued to provide inaccurate, but consistent, information and maintained that the money was for home improvements in another country.

Ms J said that if Revolut had asked open and probing questions and done more to research into where the payments were going to, she would not have been able to provide a reasonable explanation of why she was paying money to five different accounts. I appreciate that is Ms J's view with the benefit of hindsight, but I think her cover story of paying money for home improvements in another country would have remained plausible even when payments were being made to third parties. The chat I've seen between Ms J and the scammer indicates that Ms J was told how to answer questions about the transfers if asked. And, given how persuaded Ms J was by the scammer, I think she would have continued to provide consistent, but inaccurate, information about the purpose of the transfers.

I have also considered whether Revolut did enough to recover the money. Revolut said Ms J raised concerns on 25 May 2023 but did not provide substantial information about the scam until 9 June 2023. Revolut said that the funds were transferred into accounts in another country which means it was unable to recover it without the permission of the account owner or as a result of a legal request. Given the time between the transfers to the scammer and Ms J reporting the scam, as well as the money being sent out of the country, I think Revolut has shown that its attempt to recover the money was reasonable.

I'm sorry to disappoint Ms J, as she has been the victim of a sophisticated scam. But as, in my view, a proportionate intervention by Revolut would not have prevented her making the transfers, I don't hold Revolut at fault for her loss. Therefore, I don't 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 Ms J to accept or reject my decision before 28 October 2024.

Sarann Taylor
Ombudsman