

## **The complaint**

Miss O complains that Revolut Ltd didn't do enough to help her when she fell victim to a scam.

Miss O considers Revolut ought to have done more to recover her funds obtained by fraudulent means.

## **What happened**

The details of this complaint are well known to both parties so I won't repeat them in detail here. But briefly, both parties accept that in July 2023, Miss O was selling an item on an online sales platform. She was contacted by an individual claiming to be interested in the item, but unfortunately, unknown to Miss O at the time, this individual was in fact a fraudster.

The fraudster sent Miss O falsified emails advising Miss O needed to upgrade her payment account by sending the fraudster £900, which would later be refunded. Believing the emails to be legitimate, Miss O sent £900 to a Revolut account belonging to the fraudster.

After the scam was revealed, Miss O complained to her bank and also raised concerns about Revolut.

Once notified of the fraud, Revolut attempted to recover the funds Miss O had sent, but unfortunately, only £18 remained in the account, which was returned to Miss O.

Miss O says Revolut, as the receiving bank, should be able to do more to recover her funds, such as working with the authorities to ensure the fraudster is prosecuted, or tracking her money and blacklisting fraudulent accounts.

Revolut didn't consider it was liable for any remaining loss Miss O incurred. It said it had followed its due diligence measures and anti-money laundering obligations correctly. It also advised that once it was notified of fraud it took the appropriate actions.

Miss O remained unhappy and referred her complaint to this service. One of our Investigators looked into things and didn't recommend that Revolut needed to do anything further. Overall, he was satisfied Revolut had met its obligations as the receiving account provider and wasn't responsible for Miss O's losses as it couldn't reasonably have done more to prevent Miss O's loss. He was also satisfied it had responded appropriately to the notification of fraud.

Miss O disagreed and asked for an ombudsman to review her complaint.

## **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.

First, to clarify, this decision focuses solely on the actions of Revolut – as the Receiving Firm of the accounts where Miss O made payments to.

I'm sorry to disappoint Miss O but I'm not upholding her complaint about Revolut. I know she's been the victim of a cruel scam and I don't doubt that these events have had a significant impact on her. But I don't believe Revolut has acted unfairly or unreasonably in its answering of the complaint. I'll explain why.

I would like to start by explaining that this service cannot investigate criminal matters. The police are the right authority to investigate the actions of the scammer and once a scam has been reported to the police, for them to determine what further actions are required. Similarly my role is not to consider Revolut's interactions with such bodies. All I can consider is whether Revolut acted fairly and reasonably in the circumstances of this complaint - and it would only be fair and reasonable for me to direct Revolut to reimburse Miss O if I think it was responsible for her loss. I'm afraid an account later found to have been utilised to misappropriate funds doesn't automatically entitle the victim to a refund, nor does it mean that the recipient firm reasonably failed to prevent the loss.

My considerations in this case are therefore whether Revolut correctly opened the beneficiary account, whether Revolut ought to have known it would later be used fraudulently, whether it should have intervened when Miss O made this payment to the account and whether it acted appropriately upon notification of fraud.

I would like to point out to Miss O at this point, that while Revolut has provided our service with information about the receiving bank accounts – it has done so in confidence. This is to allow us to discharge our investigatory functions and Revolut has provided that which is necessary for the determination of this complaint. Due to data protection laws our service can't share any information about the beneficiaries, the receiving bank accounts or any investigation and action Revolut subsequently took. However I would like to assure Miss O I have thoroughly reviewed and considered all the information provided before reaching my decision.

#### Prevention - The account opening process

To help decide whether or not a bank failed to prevent the loss of a scam victim when opening the beneficiary account, we would generally ask to see evidence that; it correctly followed its account opening procedures; carried out checks to verify the identity of the named account holder; and did its due diligence when opening the account.

In the circumstances of this complaint, I'm satisfied that Revolut carried out checks to verify the identity of the named account holder and did its due diligence when opening the beneficiary account. There wasn't anything at the time that I think reasonably could've alerted Revolut that the accounts it was opening would later be used fraudulently. So I'm satisfied Revolut has taken reasonable steps to prevent the account being opened for criminal purposes and it didn't miss an opportunity to prevent Miss O's loss when opening the account.

### Detection - Account activity

The primary duty of a bank is to follow their customer's instructions and make payments as directed in line with the mandate – which is usually set out in the terms and conditions of the account.

I've looked at the account history for the beneficiary account and I can't say there was any account activity that I think would reasonably have stood out to Revolut as suspicious or outside of what might be expected for an account of that type. I'm also satisfied there was no notification of fraud on the accounts prior to the payment Miss O made into the account and no other red flags where it could reasonably be argued that Revolut might have had sufficient grounds to suspect fraud and refuse execution of their customer's payment instructions.

### Response to notification of fraud

Once notified of the scam, I'm satisfied Revolut took the necessary actions required of it and did so in a timely manner. Unfortunately, all of Miss O's funds, save the £18 returned to her, had been removed by the fraudster, prior to Revolut being made aware of the scam. So I don't think there's anything further Revolut could reasonably be expected to do to respond to the alleged fraud.

Whilst I understand Miss O is unhappy that Revolut hasn't traced her money further than its own account, this simply isn't a standard of practice we expect firms to take. While I would of course expect Revolut to be co-operative with any police investigations upon request, I wouldn't expect Revolut itself to further trace Miss O's funds past its own receiving account and, as already mentioned, the remit of my investigation does not extend to considering Revolut's interactions with authorities on such issues.

Therefore, while I'm sorry to disappoint Miss O, I don't find that Revolut is liable for the losses she incurred in this scam and it wouldn't be fair or reasonable to ask Revolut to compensate Miss O for losses that were the result of a third party's actions – not Revolut's.

### **My final decision**

My final decision is that I don't uphold Miss O's complaint against Revolut Ltd.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss O to accept or reject my decision before 25 November 2024.

Kirsty Upton  
**Ombudsman**