

Complaint

Mr C is unhappy that Revolut Ltd didn't refund him after he told it he'd fallen victim to a scam.

Background

In late 2022, Mr C saw an advert on social media promoting an investment opportunity. It included an apparent endorsement by a well-known public figure, which persuaded him that the opportunity was genuine. He completed an online form to register his interest and was then contacted by someone who claimed to be a representative of the company. They said they would manage Mr C's funds on his behalf and encouraged him to download remote access software so that they could help him with this process. Unfortunately, this person wasn't the representative of a legitimate investment company – they were a fraudster.

He made an initial payment of £250 from his account with another bank. He was then told that he was earning generous returns and could maximise them if he invested more. To that end, on 11 November 2022, he made a payment of £10,800 to an account in the name of a private individual, using his account with Revolut.

Once Mr C realised he'd fallen victim to a scam, he contacted Revolut. It didn't agree to refund him. Mr C wasn't happy with that response and so he referred his complaint to this service. It was looked at by an Investigator who didn't uphold it. Mr C disagreed 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 (in this case, the 2017 regulations) and the terms and conditions of the customer's account. However, that isn't the end of the story. Good industry practice required Revolut to 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 take steps to protect its customer. That might be as simple as providing a written warning as part of the payment process, or it might extend to making contact with the customer to establish the circumstances surrounding the payment.

This was a brand new account that Mr C set up for the purpose of making this payment. That put Revolut in a difficult position in terms of identifying fraud risk—it didn't have historic data on his typical payment behaviour to determine whether this particular payment was unusual or out of character. In addition to that, when he opened his account, he told Revolut the purpose was "transfers" – so making this payment wasn't inconsistent with that purpose.

Nonetheless, I still think Revolut needed to take some steps to protect Mr C here particularly in view of the payment's significant value. Mr C was asked to select a reason for his payment from a list of options. He could have selected "investment" or "cryptocurrency" but instead chose "payment for goods and services." As a result of that, Revolut went on to display a warning with content that wasn't relevant to him.

I'm satisfied that a tailored warning was a proportionate response to the risk. The value of the payment meant that it needed to take some steps to protect Mr C, but there were no other obvious risk factors from Revolut's perspective. Unfortunately, the way its questions were answered meant it could only give a warning that wasn't relevant to his circumstances. I don't think it would be fair and reasonable to direct Revolut to reimburse him given that the way Mr C answered those questions was outside of its control.

Even if Revolut had gone further, I'm not persuaded it would necessarily have prevented Mr C from making the payment. I obviously can't know for certain what would've happened if Revolut had contacted him to discuss the payment. However, having looked at the messages he exchanged with the fraudster, I can see that he was being encouraged to provide misleading information to the firms he was dealing with. Shortly before this payment, he spoke with his bank and the police. In a message to the fraudster, he said *"I am not going to mention any of our dealings unless I really have to."* In view of that, it's difficult to see how Revolut taking more interventionist steps would have made a difference.

Mr C's representatives have pointed out that he was highly vulnerable at the time. He was over the age of 70 and didn't have secure housing. I've taken that into account when deciding this complaint and considered the FCA's guidance on the fair treatment of vulnerable customers. That guidance makes clear that firms should take steps to understand and respond to the needs of customers in vulnerable circumstances, where those needs are known or reasonably identifiable. But unfortunately, Revolut wasn't aware of Mr C's wider circumstances, and I don't think those vulnerabilities were reasonably identifiable at the time. As a result, it couldn't have factored them in when determining how best to protect him from the risk of financial harm.

I recognise it knew Mr C's age, but I don't think that should be treated as a risk factor on its own. His representatives have said that older individuals may struggle to read warnings on a mobile device. I recognise that an older customer might be more likely to find that difficult, although being over the age of 70 doesn't automatically mean that someone can't read warnings. In any event, it hasn't said that Mr C had specific issues with his eyesight that would've made it more difficult for him to engage with the warnings Revolut displayed.

His representatives have also made reference to the chat that he had with Revolut. They've said this shows very clearly his vulnerabilities and his change in circumstances after selling his home. However, these conversations took place after the payment had been made, and so Revolut couldn't have factored in any information conveyed in those conversations when determining how best to help him in connection with the earlier payment.

I don't say any of this to downplay the fact that Mr C has fallen victim to a cruel and cynical scam. I have a great deal of sympathy for him and the position he's found himself. However, my role is to look at the actions and inactions of Revolut and, for the reasons I've given, I'm persuaded the steps it took in response to the fraud risk here were proportionate.

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 Mr C to accept or

reject my decision before 23 April 2025.

James Kimmitt
Ombudsman