

The complaint

Mr S complains that Revolut Limited ('Revolut') won't refund money he lost and about the service he received.

What happened

Mr S says that he agreed to pay for adult services but as the booking process went on, he was asked for more funds. He made five payments on 25 July 2024 to the same individual (£45, £30, £50, £45 and £100). When Mr S was asked to pay £200 more, he refused and says he received threatening messages. Mr S reported what had happened to Revolut.

Revolut didn't agree to reimburse Mr S. It said Mr S authorised the transactions and it provided a warning.

Mr S was unhappy with Revolut's response and brought a complaint to this service. He said Revolut should reimburse him and didn't provide the appropriate level of support.

Our investigation so far

The investigator who considered this complaint didn't recommend that it be upheld. He said that the transactions were in line with the usual activity on Mr S' account and wouldn't have stood out as unusual or suspicious. So he felt Revolut acted reasonably in processing them. In terms of the service provided by Revolut, the investigator noted that Revolut provided a response to Mr S' fraud claim and next steps promptly and did what it could to recover his funds. Whilst the investigator felt Revolut could have improved its service in some areas, he didn't think compensation was needed.

Mr S understood why he wasn't being reimbursed but said that he felt compensation should be paid in respect of the service Revolut provided. In particular, he highlighted the following:

- Revolut closed a complaint as a duplicate when it was a new complaint. It didn't clarify the point and the result was further delay.
- Revolut kept telling him it would support and help him but failed to do so. He was living without food and other household items.

The complaint has been passed to me to decide.

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.

In deciding what's fair and reasonable, I am required to take into account relevant law and regulations, regulators' rules, guidance and standards, and codes of practice; and, where appropriate, I must also take into account what I consider to have been good industry practice at the time.

In broad terms, the starting position at law is that an Electronic Money Institution ("EMI") such as Revolut is expected to process payments and withdrawals that a customer authorises it to make, in accordance with the Payment Services Regulations (in this case

the 2017 regulations) and the terms and conditions of the customer's account.

But Revolut should have been on the look-out for the possibility of fraud and have taken additional steps, or made additional checks, before processing payments in some circumstances. I consider it fair and reasonable that Revolut should:

- have been monitoring accounts and any payments made or received to counter various risks, including 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 firms 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, or provided additional warnings, before processing a payment – (as in practice Revolut sometimes does).

In this case I haven't seen evidence to persuade me that Mr S was the victim of a scam. But in any event, I don't consider Revolut acted unreasonably in processing his payment requests as they were low in value and in line with Mr S' usual account activity. For example, earlier in July 2024 Mr S made three transactions in the same day of £180 and £130 and £120. There was nothing unusual in the requests Mr S made to suggest anything was amiss, so I'm satisfied Revolut didn't need to do anything more.

For completeness, the Lending Standards Board's Contingent Reimbursement Model Code (CRM Code) isn't relevant in this case as Revolut isn't a signatory.

I've gone on to consider the service provided by Revolut.

It's clear that Mr S completed a form to notify Revolut of a scam late on 25 July 2024 and that early the following morning he contacted Revolut to chase it up. I'm satisfied that in a series of messages on 26 July 2024 Revolut made it clear to Mr S its decision not to reimburse his loss. Revolut explained that this was because he authorised the transactions and was provided with a warning. Revolut also explained to Mr S that it was attempting to recover his funds from the beneficiary bank and would continue to do so. To manage expectations, Revolut also made it clear that it thought recovery was unlikely.

So I think Revolut was clear from a very early stage that it didn't think it was liable to refund Mr S but was attempting to recover funds. Also on 26 July, Revolut explained to Mr S more than once where he could check for updates on his claim.

Mr S repeated in messages to Revolut that he needed the money to be returned and constantly asked for updates. He also asked for a provisional refund. In response, Revolut explained its claim decision again and what it was doing to try to recover Mr S' funds. Revolut had no responsibility to provide a provisional refund to Mr S and had already made it clear it wasn't going to reimburse him. And, until Revolut received a response from the beneficiary bank, it had no way of knowing whether any funds would be available to be recovered. So I can't fairly say Revolut did anything wrong.

I recognise that Mr S was going through a very difficult time and was extremely disappointed with Revolut's decision not to reimburse him. Revolut could have shown more empathy, signposted Mr S to other organisations in respect of his financial position and at times provided better explanations. I also understand that there was some confusion in the chat when Mr S raised a further complaint. But I'm satisfied Revolut communicated its decision not to reimburse Mr S swiftly and gave regular updates on its attempts to recover his funds, and the need to allow the beneficiary time to investigate. I feel that the support Mr S wanted was financial, but I don't consider Revolut ought to have provided support of this kind. Mr S' expectations in respect of responses were also unrealistic at times.

Overall, whilst I'm sorry to hear about Mr S' loss, I'm not persuaded Revolut acted unreasonably in this case so I'm not making an award.

My final decision

For the reasons stated, I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 9 October 2024.

Jay Hadfield
Ombudsman