

## The complaint

Ms D complains about the actions of Revolut Ltd when she was tricked into making payments on her debit card as a result of a scam.

Ms D is being represented by a claims management company but for ease of reading I'll only refer to Ms D.

## What happened

In August 2022 Ms D saw an advert from what she thought was a popular TV show by a merchant about investing and trading. And because she was interested in earning a second income she asked for more information. She was contacted by someone from the merchant who provided a link to her online credentials on a well-known professional networking website.

Ms D said she carried out her due diligence on the merchant by looking at online reviews. She felt the website was professional and it appeared they were regulated. Ms D then proceeded to make the following payments via her Revolut account to accounts in her name at crypto exchanges;

Date	Time	Type of transaction	Amount
27 October 2022	10:53am	Card payment	£3,038.37 (Declined)
27 October 2022	2:14pm	Card payment	£4,320.58
27 October 2022	2:16pm	Card payment	£2,445.28
28 October 2022	10:34am	Card payment	£2,664.75
29 November 2022	8:08pm	Card payment	£4,216.31
29 November 2022	8:19pm	Card payment	£765.19
29 November 2022	2:59pm	Card payment	£4,307.60
29 November 2022	3:04pm	Card payment	£667.55 (Declined)
29 November 2022	3:05pm	Card payment	£667.54
19 January 2023	2:05pm	Card payment	£4,283.04
19 January 2023	2:36pm	Card payment	£2,643.72
		<b>Total</b>	<b>£26,314.01</b>

In January 2023 Ms D was told that in order to keep her account manager she would need to invest a further £50,000 and needed to pay some tax. Ms D said she didn't have the money and refused the merchant's requests to take out loans. Ms D tried to make withdrawals but was unable to and the account manager then stopped communicating with her. At this point Ms D realised she had been scammed so she contacted Revolut.

Revolut assessed Ms D's claim but said it wouldn't be offering a refund. It said that it hadn't done anything wrong and Ms D had authorised all the transactions. It attempted a chargeback for a payment made on 19 January 2023 but this wasn't successful as Ms D had received the service she had paid for so there was no chargeback rights. Revolut said the

other payments were outside of the chargeback protection period due to the time that had passed.

Ms D remained unhappy so she brought her complaint to this service. She asked for all her money to be refunded with interest and her legal costs to be indemnified. She said that Revolut should've done more to stop this scam and that she was vulnerable at the time after going through a divorce.

Our investigator didn't think the complaint should be upheld. She said Revolut should've intervened and provided Ms D with a tailored warning when she tried to make the £2,445.28 payment on 27 October 2022. But the investigator didn't think the tailored warning would've stopped the scam because it would've unlikely resonated with Ms D at the time due to the sophistication of the scam and the research that she conducted.

Ms D disagreed and asked for an Ombudsman's review. She said that Revolut had failed to intervene so the investigator couldn't assume any intervention wouldn't have made a difference and there was a noticeable difference in the reason for the new account being opened compared to the actual usage which was indicative of fraud and very high risk. She said that a tailored warning would've resonated with her and made her realise she was being scammed. She added that Revolut should've asked more probing questions which would've led to the scam being uncovered.

### **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 reached the same conclusion as our investigator. And for largely the same reasons. I'm sorry to hear that Ms D has been the victim of a cruel scam. I know she feels strongly about this complaint and this will come as a disappointment to her, so I'll explain why.

I've read and considered the whole file. But I'll concentrate my comments on what I think is relevant. If I don't mention any specific point, it's not because I've failed to take it on board and think about it, but because I don't think I need to comment on it to reach what I think is a fair and reasonable outcome.

I've firstly considered whether Revolut should've done more to stop all the payments Ms D made towards this scam. It is common ground that Ms D authorised the scam payments with a total loss of around £26,314. I accept that these were authorised payments even though Ms D was the victim of a scam. So, although it wasn't her intention to pay money to the scammers, under the Payment Services Regulations 2017 (PSRs) and the terms of her account, Ms D is presumed liable for the loss in the first instance.

However, taking into account the law, regulatory rules and guidance, relevant codes of practice and good industry practice, there are circumstances where it might be appropriate for Revolut to take additional steps or make additional checks before processing a payment in order to help protect customers from the possibility of financial harm from fraud. So, I've looked into what this means for this case and whether Revolut should have done more here to prevent the payments in dispute.

It appears Revolut stopped the first payment here of £3,038.37 because it was suspicious of it but decided to let the payment go after doing some checks and deciding that it didn't think there were any further red flags. Our investigator felt Revolut should've stopped the payment

of £2,445.28 on 27 October 2022. Ms D says that she would've listened to a tailored warning and that Revolut should've gone further in its interventions here.

At the time the first payment was made in October 2022 Revolut stopped it for further checks because it considered it suspicious but decided to allow Ms D to make further payments after it completed some internal checks. I think given the pattern of payments, the fact this was a newly opened account, the size of the payments going to a crypto exchange and the account opening reason given by Ms D ('spend and save daily') contradicting the payment reason, Revolut should've provided a tailored warning to Ms D.

When considering which payment Revolut should've provided a tailored warning to Ms D on in October 2022, I don't think I need to make a finding on that because I don't believe providing a tailored warning would've made a difference. I'll explain why.

In August 2022 Ms D had seen an advert placed by what she thought was a well-known television program. She wasn't contacted out of the blue and despite first speaking with the scammer in August 2022 she didn't make the first payment until late in October 2022 – some two months later. So, it doesn't appear like there was a great amount of pressure to send money to the scam straightaway. I've also noted that she wasn't asked to start with a small investment before being pressured into increasing the size of the payments rapidly.

She said she spoke to who she thought was a professional merchant who provided a link to a professional online profile. Ms D was then given access to what she considered was a professional and genuine looking trading platform to see all her trades before making her payments. From the chats I've seen, a rapport was built up between Ms D and the scammer with her also being provided with tutorials on the platform to review, further convincing her of the legitimacy of the investment. I note she also conducted her own due diligence, saw positive reviews at the time and that she thought it was regulated.

As a result of the above, I'm not satisfied a tailored warning would've been enough to stop Ms D making the payment in October 2022. I accept Ms D says that a tailored warning would've made a difference, but I have to take into account all the evidence and the timing of the warning not just her testimony from after the event where there is the benefit of hindsight.

Ms D continued to make payments towards the scam after October 2022. But I don't think it was unreasonable for Revolut not to stop any further payments here. I agree with the investigator that the payments Ms D made here created a pattern of spending on her account that wouldn't have seemed unusual because of the time that had passed between the beginning of the scam in October and when Ms D made the later payments in November 2022 and January 2023. And the size and pattern of the payments she was making were all very similar to the earlier payments she'd made. So, I don't think the later payments were so unusual that Revolut should've stopped them and provided any further warnings to Ms D.

### *Recovery*

Here, because the payments were sent to accounts in Ms D's name at crypto exchanges a chargeback couldn't be raised by Revolut because Ms D was provided with the service she paid for by the crypto exchanges. As a result, Revolut didn't treat Ms D unfairly by not raising a chargeback on the earlier payments and not pursuing the 19 January 2023 payment any further.

Ms D has asked for compensation from Revolut but I don't believe it would be fair to award compensation here as I don't think Revolut should be held liable for her losses. I don't think I

can reasonably say Revolut should've been aware of Ms D's divorce at the time and ultimately, it's the scammer that was responsible for causing her distress.

I'm sorry to hear Ms D has been a victim in this way, but I don't think Revolut are responsible for her loss and so I can't fairly ask them to do more.

### **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 D to accept or reject my decision before 23 October 2024.

Mark Dobson  
**Ombudsman**