

The complaint

Mr B complains Revolut Ltd (“Revolut”) didn’t do enough to protect him when he fell victim to a scam and believes it should refund him the money he lost as a result.

The complaint has been brought on Mr B’s behalf by a professional representative, for ease I’ll refer to Mr B throughout.

What happened

In July 2023, Mr B met someone, who’ll I’ll refer to as the scammer, on a dating app and after an exchange of messages began a conversation on a messaging service outside of the dating app. Mr B said he and the scammer spoke daily and had built a trusting relationship.

He said after several weeks of constant communication the conversation moved to investing and the scammer pushed Mr B to invest. He said he was directed to open a cryptocurrency wallet and sign up to a platform. Mr B said he carried out research and found the company to be legitimate. He’s also told us he acted in good faith and trusted the scammer who he believed was genuine.

Mr B opened a new account with Revolut on 3 August 2023, below are the transactions I find to be relevant to the complaint:

	Date	Type of transaction	Payee	Amount (including fees)
1	3 August 2023	Push-to-card	Mr B	£100.00
2	4 August 2023	Push-to-card	Payee P	£493.43
3	4 August 2023	Faster payment	Mr B	£6.57
4	8 August 2023	Faster payment - Declined	Payee P	£5,493.00
5	8 August 2023	Faster payment	Payee P	£5,493.00
6	10 August 2023	Push-to-card	Mr B	£5,421.90
7	10 August 2023	Faster payment	Mr B	£6.10

Mr B said when he tried to withdraw his funds, he was asked to pay a fee which alerted him to the scam.

He raised a dispute with Revolut who felt it had fulfilled its duty to protect Mr B as it provided what it felt were sufficient scam warnings for the transactions and did what it could to recover Mr B’s funds.

Mr B said he disagrees with Revolut’s response to his complaint and has cited the Contingent Reimbursement Model (“CRM”) and that Revolut hasn’t done anything to adhere to the CRM.

Unhappy with Revolut’s response, he raised the matter with us for independent review. One of our Investigators considered the complaint and didn’t uphold it. They said Revolut provided proportionate warnings prior to the payments being sent and where it could have

intervened further, they didn't feel it would have made a difference as Mr B was being guided by the scammer.

In response to the outcome the warnings and live chat with Revolut were shared with Mr B. The effectiveness of those warnings was questioned noting the size of the option to continue compared with the option to cancel. And Mr B argued the important information was smaller than other information within the warnings.

As an agreement couldn't be reached the complaint has been passed to me for a decision.

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'm not upholding this complaint, I'll explain why.

When reporting the scam to Revolut Mr B says he made the payments related to the scam. He also told Revolut the scammer made some payments using an application which allowed them remote access to his device. And when referring the complaint to us Mr B clearly says he accepts he authorised the payments himself. For completeness though, I've considered this and based on what I've seen I'm satisfied Mr B authorised the payments in dispute, either in making them himself or in allowing the scammer to remotely access his device for the purpose of making payments. I have therefore considered this scam to be an authorised push payment (APP) scam.

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. So the starting position is that Revolut isn't liable for the transactions.

However, Revolut should have been on the 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. And, 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.

Taking these things into account, I need to decide whether Revolut acted fairly and reasonably in its dealings with Mr B.

I'd like to assure Mr B and Revolut that I've reviewed the complaint really carefully in light of all of this. I'm really sorry to disappoint Mr B, but in this case I'm not able to recommend that Revolut should be required to provide him with a refund.

I recognise that he made the payments as a result of fraud and I'm really sorry he lost this money. But having looked into what happened, I don't think Revolut should reasonably have been expected to prevent this.

Should Revolut have intervened on the transactions?

Having considered what Revolut knew about the payments at the time they received the payment instruction, I'm not persuaded it ought to have been concerned about payment 1. I say this because it was for a relatively low amount which appeared to be sent to Mr B.

Based on the circumstances of this transaction, I don't think there were sufficient grounds for Revolut to think that Mr B was at risk of financial harm from fraud when he made this payment. So, I can't say Revolut was at fault for processing payment 1 in accordance with Mr B's instructions.

Having considered what Revolut knew about the rest of the payments at the time it received the instructions for the payments, I'm persuaded it ought to have been concerned about some of the payments made and I've seen evidence that payment 2 triggered Revolut's automatic fraud detection systems.

I've taken into account that many payments that look very similar to this one will be entirely genuine. I've given due consideration to Revolut's duty to make payments promptly, as well as what I consider to have been good industry practice at the time these payments were made. I've also taken into account what fraud detection and prevention measures Revolut already had in place.

For payment 2, Mr B was first given a warning which is displayed for all new payees which asked if he knew and trusted the payee. Mr B continued with the transaction and as part of Revolut's automatic fraud detection system it displayed a message that something didn't look right, and asked for the purpose of the payment which he gave as investment. At this time Revolut displayed warnings specific to this type of scam and addressed key features of the scam Mr B was experiencing, like allowing someone control of your device. They suggested Mr B could be making a payment as part of an investment scam and to stop. The warnings suggested he carry out research into the investment. Mr B continued to make the payment.

Given the value of the payment and the tailored warnings presented to Mr B, I find Revolut's actions were proportionate at the time payment 2 was made.

He made a low value payment the same day which didn't trigger with Revolut and given the amount of payment 3 I wouldn't expect it to. A few days later, he attempted to transfer £5,500 five times within the same day to a known cryptocurrency platform, all were declined.

The next day, Mr B attempted to make payment 4 in the above table, to the same payee as payment 2, which was much higher in value. This payment also triggered Revolut's automatic fraud detection systems which again displayed that something didn't look right and asked for the payment purpose. Mr B said it was for an investment.

For this payment, he was asked to complete a questionnaire which he did. In it he was asked several questions. He was asked if anyone was telling him how to answer the questions/telling him which options to choose, to which he answered "yes".

I've seen that Mr B contacted Revolut through an online chat and asked for the payment to be released. The agent told Mr B the payment had been held for further checks but that as Mr B had rejected the payment he could go ahead and make it again and if there's an alert Revolut will have it covered. Mr B goes on to make the payment again (payment 5) whereby he is given the same warnings and questionnaire mentioned above but answers it differently. He answered "no" to say he wasn't being told how to answer the questions. He received further warnings as he did for payment 2, which, as before suggested Mr B could be making a payment as part of an investment scam, and advised him to stop and carry out research into the investment. Again, Mr B continued with the payment.

A few days later Mr B authorised payment 6 which was also held by Revolut. I've seen the live chat between Mr B and Revolut for this payment in which Revolut says it has noticed an emerging fraud trend and is given a seemingly unrelated warning regarding safe account scams. However, I've seen a message with the scammer where they advise Mr B to select the safe account option. This is important for two key reasons. It shows Mr B is still being guided by the scammer and suggests he wasn't providing accurate information to Revolut. The chat continues for a few messages where Mr B maintains he isn't being scammed and the payment goes through.

Payment 7 is made later the same day and as with payment 3, it's for a low value which I wouldn't expect to trigger any warnings from Revolut.

Based on the circumstances of the payments (as I've explained above), I'm persuaded that the action Revolut took at the time was proportionate to the risk associated with the first three payments. I wouldn't have expected it to have intervened further in these circumstances. As I've mentioned, Mr B's representative has questioned whether the warning Mr B received on payment 2 was effective enough to have had the necessary impact on him. But I think the warning provided did cover off some of the main features of the circumstances of the scam Mr B was experiencing and was proportionate to the risk presented by the payment. I can't say Revolut was at fault for processing these payments in accordance with Mr B's instruction.

Revolut did find Mr B's attempt to make payment 4 suspicious and held it for further checks. But Revolut didn't do any more to establish the circumstances surrounding the payment at this time, because it said a decision had been made by Mr B and the payment had been rejected by the time Mr B initiated a live chat about releasing it. It simply suggested he attempt the payment again.

When Mr B did attempt to make the payment again (payment 5) Revolut did intervene again, by asking the payment purpose and again asking Mr B to complete the payment questionnaire. But this time Mr B answered the questionnaire differently by saying he wasn't being guided, and on this occasion Revolut didn't hold the payment for further checks before releasing it. But I think Revolut should have done more to intervene here, given what Mr B had said about being guided when attempting to make the same payment shortly before, which had, rightly, prompted Revolut to hold it for further checks. I find that at this point Revolut knew enough to suggest Mr B was at risk of financial harm from fraud and I think it would have been proportionate for it to have directed him to the live chat to ask him some further questions about the payment.

I can't be certain what would have happened if Revolut had intervened in this way, so I need to make a decision on the balance of probabilities of what would most likely have happened if it had. Having thought carefully about this, I don't think it's likely to have made a difference here.

I say this because Mr B has acknowledged he was being guided by the scammer and there's evidence to show the scammer was telling him how to answer Revolut's questions when making the payments. When Mr B reported the scam to Revolut he said he was being "talked through" it and he also refers to making payments under "pressure and instruction" from the scammer. Although he'd been upfront about some of the circumstances of the payment in the questionnaire (such as intending to invest in cryptocurrency) he had also given some inaccurate information about the circumstances of the payments. For example, he said that he hadn't been asked to install software despite receiving a warning which

highlighted this could be a feature of a scam. But on reporting the scam he said he had been asked to install software.

So, I think it's likely that Mr B would have also been guided by the scammer on how to answer any questions Revolut may have asked during any further intervention via the live chat. I think it's unlikely he would have answered the questions accurately such that they could reasonably have uncovered the scam. And given that Mr B appeared to be under the spell of the scammer, and that a previous scam warning hadn't resonated with him, I'm not persuaded that any further intervention or warnings from Revolut would ultimately have prevented him from making the payment anyway. Because of all this I'm satisfied further intervention from Revolut on payment 5 wouldn't have uncovered the scam.

Revolut also intervened on payment 6 and Mr B was asked to select a reason for the payment. On this occasion he selected "transfer to a safe account" as the purpose of the payment and I can see he was being guided on what reason to select by the scammer as he made this payment. Revolut asked some more questions around this which were based on the payment purpose he'd selected, to satisfy itself that Mr B wasn't at risk of a safe account scam. But they did ask some questions which could also be relevant to the circumstances of the scam he was experiencing, such as whether he was asked to install any software and Mr B answered again that he hadn't.

For the reasons I've explained above, I find that even if Revolut had done more to question Mr B about the overall circumstances of why he selected that payment reason, it wouldn't have made a difference – it's clear Mr B was still being guided by the scammer at this point.

To Mr B's point about Revolut not adhering to the CRM code, the code is voluntary and Revolut isn't a signatory of the CRM code and so doesn't have to adhere to it.

I'm sorry to disappoint Mr B further, but I've thought carefully about everything that has happened, and with all the circumstances of this complaint in mind I don't think Revolut needs to refund Mr B's money or pay any compensation. I realise this means Mr B is out of pocket and I'm really sorry he's lost this money. However, for the reasons I've explained, I don't think I can reasonably uphold this complaint.

Recovery

I've thought about whether there's anything else Revolut could have done to help Mr B and I've considered whether Revolut took the steps it should have once it was aware that the payments were the result of fraud.

Mr B told Revolut where the payments were sent and it's a known cryptocurrency exchange. In that case the money would have been exchanged into cryptocurrency and sent on to the wallet Mr B gave, this was supplied to him by the scammer. It seems that Mr B got the cryptocurrency he paid for and in these cases, there's no real prospect of successful recovery of funds.

I recognise Mr B has been the victim of a cruel scam and I'm sorry he lost this money. But for the reasons I've explained, I think Revolut acted fairly and reasonably in its dealings with Mr B, so I won't be asking it to refund him.

My final decision

My final decision is that I do not uphold this complaint against Revolut Ltd.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or

reject my decision before 7 February 2025.

Charlotte Mulvihill
Ombudsman