

## **The complaint**

Mrs F complains about the actions of Revolut Ltd when she lost money to a scam.

Mrs F is being represented by a claims management company but for ease I'll only refer to Mrs F.

## **What happened**

The detailed background to this complaint is well known to both parties. So, I'll only provide a brief overview of some of the key events here.

In early May 2023 Mrs F was browsing social media when she came across a professional looking advert promoting investment opportunities. She registered her interest with the merchant promoting the advert and was contacted by phone later the same day. After speaking with the representative of the merchant Mrs F did some research into the company and was happy with the online reviews. She activated an account with the merchant's platform and was instructed to open accounts in her name with Revolut and a genuine crypto exchange. Mrs F funded the investment via two loans at the merchant's request for £6,000 and £8,000. She then sent this money plus her own funds from two separate banks - who I'll refer to here as G and H - to the Revolut account before making around £18,000 in card payments to a genuine crypto exchange across eight separate payments from 23 May 2023 to 12 June 2023.

After the merchant continued to ask Mrs F for more money to fund the investment, she realised she had been scammed. Her Revolut account was then closed on 03 July 2023, and she decided to make a complaint to Revolut to ask for her money back in October 2023. Revolut considered the complaint but said it hadn't done anything wrong so wouldn't be offering a refund. It added that the first payment was out of time to raise a chargeback and the others were unlikely to succeed as Mrs F had been provided with the service from the genuine crypto exchange. Unhappy with this response, Mrs F brought her complaint to this service.

Our investigator didn't think the complaint should be upheld. He said that although Revolut should've stepped in here on 12 June 2023 he didn't think this would've made a difference because Mrs F was under the influence of the scammer who was coaching her on what to say to G when she was trying to make payments to her Revolut account. He said Mrs F had said the payments were for a holiday and that no third party was involved in her making the payments to Revolut. And he noted that Mrs F also gave the same payment reasons to H. So, he said that it was more than likely Mrs F would've continued to listen to the scammer and provided inaccurate answers to any potential questions from Revolut and wouldn't have listened to any potential warnings either.

Mrs F disagreed and asked for an Ombudsman's review. She said that just because G intervened this doesn't eliminate Revolut's responsibility to provide an effective intervention – which it didn't do here – and if it had this would've more than likely stopped the scam.

### **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 Mrs F 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.

Where the evidence is incomplete, inconclusive, or contradictory (as it is here), I have to make my decision on the balance of probabilities – that is, what I consider is more likely than not to have happened in the light of the available evidence and the wider surrounding circumstances.

It is common ground that Mrs F authorised the scam payments of around £18,000. I accept that these were authorised payments even though Mrs F 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, Mrs F 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.

Revolut's first obligation is to follow the instructions that Mrs F provides. But if those instructions are sufficiently unusual or uncharacteristic for the account, I'd expect Revolut to intervene and to ask their customer more about the intended transaction before processing it. I'd also expect Revolut to provide suitable warnings about common scams to help their customers make an informed decision as to whether to continue with the payment. There might also be cases where it's appropriate for Revolut to refuse to follow the instruction if there are good grounds to believe it is being made as a result of a fraud or scam.

I've considered whether Revolut should've stopped any of the payments Mrs F made here and what sort of intervention it should've provided. Six of the eight payments towards this scam were made on 12 June 2023 with those ranging from £2,000 to £3,000. I'm satisfied that Revolut should've stepped in and done more here on 12 June 2023. But I don't think I need to make a finding on where and what sort of prevention it should've provided because I'm not persuaded a tailored crypto warning in the app, nor a further in-app chat intervention would've made a difference here. I'll explain why below.

I've listened to the calls provided by G here. Mrs F spoke to G in June 2023 and said she was making the payment for a holiday which wasn't the real reason. She was asked clearly if any third party had contacted her and asked her to make the payment and if someone had contacted her and told her to lie and withhold information from the bank. Mrs F said no to

these questions. According to the chats between Mrs F and the scammer she then confirmed that she had made the payment and had told her bank that it was for a holiday. I've also seen that she provided the same payment reasons to H (but these payments weren't stopped by H).

I note Mrs F was told here that to withdraw her profits she needed to provide more funds. Loans were then taken out in her name which funded the 12 June payments. At this point, I'm satisfied Mrs F was being driven by both the scammer and her wanting to withdraw the profits from what she thought was a genuine investment. As a result, she felt she needed to listen to what the scammer was telling her to say to G and H. So, even if Revolut had provided a tailored cryptocurrency investment warning I'm not satisfied she would've listened to this on 12 June 2023. And as I've already set out, I'm satisfied - on balance – that Mrs F was under the spell of the scammer at the time of the payments on 12 June 2023 and that if Revolut had intervened further and asked some probing questions in an in-app chat, Mrs F wouldn't have likely given accurate answers which would've persuaded Revolut that she was more than likely not being scammed. To be clear, just because Revolut didn't stop the payments that doesn't automatically mean Mrs F should have her money refunded.

And I don't think this is a case where I think there was anything substantive enough to mean that Revolut would have been justified in refusing Mrs F's payment instruction altogether and going against her wishes.

I've considered whether Revolut acted reasonably when it was made aware of the scam. Having done so, I'm satisfied Revolut didn't treat Mrs F unfairly by not continuing with a chargeback because Mrs F was provided with the service she had paid for. Nor were there any other avenues that Revolut could've been successful in retrieving Mrs F funds here. I appreciate this will come as a disappointment to Mrs F, and I'm sorry to hear that she has been the victim of a cruel scam. As a result, I'm not persuaded that Revolut can fairly or reasonably be held liable for his loss in these circumstances.

### **My final decision**

For the reasons given above, I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs F to accept or reject my decision before 8 January 2025.

Mark Dobson  
**Ombudsman**