

The complaint

Mr B complains that Revolut Ltd hasn't refunded payments made when he fell victim to a scam.

What happened

The details of this complaint are well known to both parties, so I won't repeat them in full here. Instead, I'll summarise what happened and focus on giving the reasons for my decision.

Between March and April 2023, Mr B lost over £4,000 when he fell victim to an investment scam. He was persuaded to download Anydesk – remote access software – and said that the scammer then made the payments without his consent or knowledge.

Our investigator didn't uphold the complaint. She was satisfied that the payments had been authorised by Mr B. And she noted that Revolut had intervened with some of the payments, requiring Mr B to verify his identity before processing the payments – which he did. She felt that the intervention was proportionate to the risks Revolut ought to have identified. And she concluded that the answers Mr B gave reassured Revolut that the payments weren't fraudulent, including that he was making payments independently, he hadn't been contacted by anyone online, he hadn't been asked to open a Revolut account to make the payments, and wasn't using Anydesk. So she didn't think it would be fair to hold Revolut liable for the loss.

Mr B asked for the matter to be referred to a decision. So it's 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 broad terms, the starting position at law is that Revolut is expected to process payments a customer authorises it to make, in accordance with the Payment Services Regulations 2017 ("PSRs") and the terms and conditions of the customer's account.

Our investigator has explained in some detail why she considers these payments to have been authorised. In summary, the payments were made using Mr B's device and, in the process of the payments being made, he provided a dated 'selfie'. Furthermore, I can't see from the evidence provided how an unauthorised party could have authorised these payments in-app and on Mr B's device without his knowledge or consent. And I note that Mr B, via his representative, has latterly said that he was on the phone to the scammer while carrying out the transactions. So, on balance, I'm satisfied these payments were authorised. I've looked into the disputed payments on that basis.

Having taken into account longstanding regulatory expectations and requirements, and what I consider to be good industry practice, I agree Revolut ought to have been on the look-out for the possibility of fraud and made additional checks before processing payments in some circumstances.

The initial payments on 29 March 2023 weren't so significant or concerning that I would have expected them to have triggered Revolut's fraud alert systems. But I note it intervened with payments made on 31 March 2023. It temporarily restricted Mr B's account and asked for the abovementioned 'selfie' for identification purposes. Mr B provided this and answered Revolut's follow-up questions. Mr B gave answers to indicate that he was acting alone, hadn't been told to open an account with Revolut, wasn't under any pressure to send the funds and was transferring money to his own account.

Based on the answers Mr B gave, which we now know to be inaccurate, Revolut had no reason to be concerned about the payments being made. I appreciate that Mr B was being coached by the scammer but, had there been further questioning, I think it likely that he would have continued reverting to the scammer on how to answer and would likely have done so in such a way as to avoid alerting Revolut to what was really happening.

Mr B has said that Revolut should have called him, rather than speaking with him over its in-app chat function. But I'm satisfied the intervention here was proportionate to the risk of financial harm, based on factors such as the amounts involved. I wouldn't have expected an intervention at the time of the final payment but, had it done so, I think it likely that Mr B would have responded similarly as he still believed the investment to have been genuine at that time.

Whilst Mr B has undoubtedly been the victim of a cruel scam, I don't consider that it would be fair or reasonable to hold Revolut liable for his losses for the reasons given above.

My final decision

For the reasons given, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 15 January 2025.

Melanie Roberts
Ombudsman