

The complaint

Ms B complains that Revolut Ltd won't refund money she lost when she fell victim to a scam.

Ms B is being represented by solicitors in this complaint.

What happened

The details of this complaint are well known to the parties and have been previously set out by the investigator. Therefore, I'll only provide an overview and focus on giving my reasons for my decision.

The complaint concerns several transactions totalling just over £36,000 which Ms B made from her Revolut account in June and July 2023. She had fallen victim to a cryptocurrency investment scam in 2022 and made the transactions in 2023 after she a company, "C", approached and offered to help recover the lost funds. It was explained to Ms B that the money she'd previously invested had been frozen by regulatory bodies and could be withdrawn on provision of evidence of liquidity of funds.

The Revolut account was opened under the instructions of C. The use of remote access software was also involved. Ms B transferred money from her main bank "H" into her Revolut account before sending it on to purchase cryptocurrency as instructed by C. She also sent money from H to another financial business "T" which offers cryptocurrency amongst other services, before sending it on as instructed by C. The payments made to recover the money were partially funded through loans from third-party lenders as well as a personal friend. Ms B discovered she'd been scammed when attempts to recover her lost funds didn't materialise and she kept being asked to make further payments.

This decision only relates to Ms B's complaint about the payments made from her Revolut account.

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 agree with the overall conclusions reached by the investigator. I'll explain why.

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. It's not in dispute that Ms B authorised the payments in question.

But, taking into account relevant law, regulators rules and guidance, relevant codes of practice and what I consider to be good industry practice at the time, I consider it fair and reasonable that in June 2023 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 (including in relation to card payments),
- have been mindful of – among other things – common scam scenarios, how the fraudulent practices are evolving (including for example the common use of multi-stage fraud by scammers, including the use of payments to cryptocurrency accounts as a step to defraud consumers) and the different risks these can present to consumers, when deciding whether to intervene.

In their assessment, the investigator said Revolut stopped a payment on 19 July and made enquiries with Ms B about the payment purpose. But the available evidence shows that it intervened on several occasions prior to 19 July, when it declined some card transactions and blocked Ms B's card after identifying them as unusual. Ms B was required to review the payment each time and confirm whether she wanted to unblock her card and continue. This happened multiple times on 16, 17, and 19 June.

Given the amounts involved, I'm satisfied that Revolut responded proportionately on those occasions. Even if I were to make a finding that Revolut should have taken further steps when Ms B attempted to make some of those payments, I'm not persuaded that it would have prevented her from going ahead. This is because I've carefully reviewed the written correspondence Ms B exchanged with the scammer, and I can see that she was being coached heavily on what to say and, more importantly, what not to say if questioned about the payments. Ms B followed these instructions implicitly.

The chat messages show several payments were stopped by H and T. Ms B was told not to divulge that she was being assisted by someone in making the transactions. She was also told how to answer a questionnaire from T, who she was purchasing cryptocurrency from. Ms B was told to say that she was investing following a friend's recommendation. And that she was experienced and had full understanding of the risks involved. When a later transaction was stopped by T, Ms B asked the scammer if she could tell the business about them and why she wanted the funds. But she was instructed not to mention anyone and reassure T that she was transferring money to her own wallet. Ms B was also instructed to delete the remote access software if she was going to discuss the transaction with T over a call.

We also know what when Revolut stopped the payment on 19 July, it asked additional questions about the payment purpose. It's unclear why Ms B chose 'safe account'. But I can see that simultaneously she was communicating with the scammer. Ms B was then directed to the in-app chat to discuss her response further. During this chat, amongst other things the agent questioned Ms B if she had been asked to install any remote access software. She replied that she hadn't. During the interaction, the agent also warned Ms B that no one should be guiding her on what to say on chat support. And that if someone was, they were

trying to scam her, and she should let Revolut know immediately. But this warning wasn't heeded.

Having carefully considered the contemporaneous evidence available to me, I'm not persuaded that any additional questioning by Revolut would have prevented Ms B from going ahead with the payments she now disputes. This is not a finding I've made lightly. I can see from the chat correspondence that she had some misgivings about C at times. Yet she continued once the scammer allayed those concerns. Even after her friend, who she'd borrowed large sums of money from, told her this appeared to be a scam, Ms B carried on with the payments. In the circumstances, I can't fairly conclude that Revolut acted unreasonably in executing Ms B's instructions.

Thinking next about recovery of payments, given Ms B legitimately bought cryptocurrency from sellers before sending it on to the scammer, it's unlikely recovery would have been successful. This is because services were rendered (i.e., provision of cryptocurrency in exchange for fiat money). Revolut did attempt a chargeback on some of the card transactions, but it's unsurprising that the chargeback was defended by the merchant. As for the electronic payments, the beneficiary bank confirmed no funds remained.

In summary, I recognise that Ms B will be disappointed with this outcome. I'm sorry that she fell victim to such a cruel scam, having already been scammed previously. I acknowledge that this incident has had a significant impact on her circumstances. But I have to consider whether Revolut could have prevented the scam from happening. Having given this a lot of thought, as set out above, it wouldn't be fair of me to hold Revolut liable for her losses.

My final decision

For the reasons given, 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 B to accept or reject my decision before 8 January 2025.

Gagandeep Singh
Ombudsman