

## **The complaint**

Mrs N complains that Revolut Ltd didn't protect her from an investment recovery scam.

## **What happened**

In mid-2022 Mrs N fell victim to two investment scams. In 2023, Mrs N was contacted by someone claiming she was owed a £20,000 refund. Mrs N downloaded screensharing software and allowed the scammer access to her accounts. She also shared personal information with the scammer. They explained she needed to pay different fees and taxes to access her money. As a result of this scam Mrs N and her partner lost nearly £60,000.

Mrs N's Revolut account was opened around the time of the first scam and used once. It wasn't then used again until the scam in 2023. £20,000 was sent from this account to a cryptocurrency merchant due to this scam. Mrs N complained to Revolut and asked for it to help her get the money back. It wasn't able to recover her funds and didn't uphold her complaint.

Mrs N came to our Service. She brought a complaint about her bank as well as Revolut and the other firm involved in the scam. Our Investigator didn't uphold her Revolut complaint as he said he didn't think Revolut could've prevented Mrs N's losses, even if it had intervened on her payments. Mrs N disagreed and asked for an ombudsman to review her complaint.

## **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 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) (PSRs) and the terms and conditions of the customer's account.

But, taking into account relevant law, regulators rules and guidance, relevant codes of practice and what I consider to have been good industry practice at the time, I consider it fair and reasonable in February 2023 that 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.

While I think Revolut ought to have recognised that Mrs N was at heightened risk of financial harm from fraud when making some of the payments to this scam, I don't think any proportionate intervention by Revolut would have prevented her loss in this case. I'll explain why.

First, it's important to set out that I'm in agreement with our Investigator that these payments should be treated as authorised. While Mrs N may not have been completing all the payments steps herself – she was of the understanding that the scammer could and would be making payments from her account. So under the PSRs, these payments would be considered authorised and so Mrs N is liable for them.

However, considering the amounts that were sent and the destination of the payments – a known, identifiable cryptocurrency merchant, I'm satisfied that Revolut ought to have recognised that the £4,900 card payment on 16 February 2023 carried a heightened risk of financial harm from fraud. And that when Mrs N sent three payments totalling £11,500, minutes apart, on 6 March 2023, she was also at risk of financial harm.

But, had Revolut intervened on these payments, either by showing Mrs N a tailored warning around cryptocurrency scams or by speaking to Mrs N using the in-app chat, I'm not persuaded this would have prevented her losses.

Mrs N was being heavily coached by the scammer and she says they were controlling her screens and carrying out the steps for the payments. It's not my understanding that the scammer could have completed all the steps in the way Mrs N has described, but I do accept she was allowing the scammer to take the lead on these payments and that she'd been subject to social engineering. With that in mind, I'm satisfied they would've had her click through/past any warnings and assured her the information there wasn't relevant or important to her. And had her mislead Revolut in the chat about their involvement and reassured her around any warnings given.

I'm persuaded Mrs N would've followed the scammer's instructions as I'm aware she was coached by the scammer to mislead her bank – and that she followed this instruction and didn't share the true purpose of her making transfers with the bank when it spoke to her. Her bank also said it thought she may be being scammed and sent her into branch twice, but this didn't uncover the scam. It's clear she greatly trusted the scammer and their instructions. So I don't consider Revolut could've uncovered the scam if it provided a tailored warning, or spoken to Mrs N or provided her information by in-app chat.

Mrs N's bank has shared the calls it had with Mrs N and she doesn't reveal what she's doing, despite being pressed for this information. I accept Revolut held more information than the bank and knew Mrs N was trying to buy cryptocurrency, so would've asked different questions. But I'm satisfied she'd have been coached to conceal concerning information. And the scam warnings I consider Revolut ought to have shared would've covered the common risks associated with these scams, but we're aware Mrs N had only recently been victim to another very similar scam, which she'd reported by the time Revolut ought to have intervened. But this awareness didn't prevent her falling victim to *this* scam.

Revolut was only required to take proportionate steps to try and protect Mrs N from financial harm, and due to the extensive coaching, I'm not persuaded she would've responded to it, had it done this. So I'm not persuaded that the scam would've been uncovered by any

proportionate intervention by Revolut.

Whilst Mrs N has undoubtedly been the victim of a cruel scam and I accept the scammer exploited her vulnerabilities in this case, I can only uphold her complaint if I'm satisfied failings by Revolut made a material difference to what happened. For the reasons given, I'm not persuaded they did.

### **My final decision**

For the reasons set out above, I don't uphold Mrs N's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs N to accept or reject my decision before 20 February 2025.

Amy Osborne  
**Ombudsman**