

The complaint

Mrs H complains that Revolut Ltd didn't do enough to prevent her losing money to a scam.

What happened

The background to the complaint is known to both parties and so I won't repeat it at length here. Mrs H says she has lost a significant sum of money as the result of a scam. Relevant to this complaint are four payments totalling £64,000 which she transferred from her account with 'W' to third-party accounts held with Revolut.

Mrs H subsequently realised she'd been scammed and got in touch with Revolut. Ultimately, Revolut didn't reimburse Mrs H's lost funds, and she referred her complaint about Revolut to our service. Our Investigator concluded as there had been no failure by Revolut which had resulted in a loss to Mrs H, it didn't need to do anything further to resolve her complaint. Mrs H did not accept the Investigator's assessment and asked that an Ombudsman review the case.

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.

Firstly, I'm sorry to hear that Mrs H has been the innocent victim of a cruel and callous scam. I know she would like Revolut to reimburse her loss. And from her perspective, of course, I can see why it would feel unfair that she bears the loss. But an account found to have received fraudulently obtained funds doesn't automatically entitle the party who sent those funds (payer) to a refund, nor does it indisputably mean that the recipient payment service provider (PSP) failed reasonably to prevent the loss. In circumstances such as these where Mrs H has no direct relationship with Revolut, I can only ask it to refund her loss if I think it has failed in such a way that it can fairly and reasonably be concluded that its act or omission (for matters within our jurisdiction) caused the loss. And in these circumstances, I can't fairly and reasonably say Revolut's acts, or omissions were the cause of Mrs H's loss.

Mrs H says she understands the inherent challenges financial firms face in identifying potentially fraudulent activity, especially when the accounts in question display no overt signs of suspicion. However, she firmly believes that Revolut, as a financial institution, should strive to continually enhance its detection mechanisms and risk management protocols to mitigate such risks effectively. I note Mrs H remains deeply concerned about the specific circumstances surrounding her complaint and the implications it carries for consumer protection within the financial industry. I'd like to assure Mrs H that I have looked into the specifics of her case. But my role does not extend to investigating Revolut's practices in general, that is the role of the regulator (Financial Conduct Authority). Here, I'm required to consider the individual circumstances of a complaint taking into account relevant: law and regulations; regulators' rules, guidance and standards; codes of practice; and, where appropriate, what I consider to have been good industry practice at the relevant time and to reach an outcome that is, in my opinion, fair and reasonable in all the circumstances.

Part of Mrs H's submissions focus on a recent televised investigatory documentary series that Revolut featured in. She asked that I take into account, when deciding her complaint, the potential (with emphasis on potential) systemic issues which were highlighted. I've carefully considered Mrs H's comments and information she has shared, but it does not mean that there was a failure by Revolut in the individual circumstances of this case.

As explained Revolut have provided evidence which shows that when opening the accounts Mrs H paid, identification verification was completed. I have seen copies of the documents obtained and checked. From what I've seen there weren't any failings by Revolut in relation to the opening of the recipient accounts, and I don't think I can reasonably say that it missed an opportunity to prevent Mrs H's loss at that time.

I've also reviewed the account activity on all four recipient accounts, and I don't think the arrival and spending of Mrs H's funds would have caused sufficient concern where I'd have expected them to have taken further action at the time. There also weren't any notifications of fraud/concerns about the recipient accounts prior to Mrs H's funds arriving and being spent. Therefore, I can't fairly conclude that Revolut, by not intervening prior to Mrs H's funds being paid away, has acted unreasonably. And by the time Mrs H reported that she'd been scammed, most of her funds had been paid away. As our Investigator has explained that apart from a minimal amount (which W said it wouldn't seek recovery of due to it being such a small sum, a couple of pounds) I'm satisfied Mrs H's money had already been spent. So I can't fairly say any of Revolut's actions when responding to the notification of fraud were the cause of Mrs H's loss.

Mrs H has also expressed that she was unhappy that Revolut told her to speak to her own PSP, when she initially contacted them. I appreciate at the time this wouldn't have felt helpful, but Revolut can't discuss or share details about its customers' accounts with an unverified party and the correct process would be to direct any enquiries through the remitting PSP. This is the process followed by UK PSPs for reporting payments made as a result of authorised push payment (APP) fraud. One of the reasons for this is to mitigate the risk of malicious claims from unknown parties, which to be clear isn't something I'm suggesting has happened here. So, I can't say that in these circumstances Revolut have acted unfairly or unreasonably by referring Mrs H back to W.

Mrs H feels strongly that Revolut ought to have done more and has a responsibility to pursue the fraudsters. However, all that Revolut are required to do when they receive notification of fraud from a remitting PSP is to investigate and take appropriate action in relation to the accounts which received the funds, and if appropriate return any money which may remain. It isn't Revolut's responsibility to report the matter to the police. It is for the victim of the crime – here Mrs H, to do so (which I understand from Mrs H she has done). I'd expect Revolut to co-operate with any police investigation – including the sharing of any information if they were to request it. I've not seen any evidence of the police being in touch with Revolut or which shows it has failed to comply with police enquiries.

I sympathise with Mrs H for the situation in which she finds herself. But as I'm not persuaded her loss is as a result of failings by Revolut, there isn't a reasonable basis upon which I can direct it to do more to resolve this complaint.

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs H to accept or reject my decision before 10 December 2024.

Sonal Matharu
Ombudsman