

The complaint

Mr T complains that Revolut Ltd did not refund a series of transactions he lost to a scam.

What happened

Mr T saw an advert online for an investment opportunity, that appeared to be endorsed by a celebrity. He left his details and received a call from a company 'I'll call G' for the purposes of this decision. He agreed to sign up to the investment in cryptocurrency and installed remote access software under G's guidance. They helped to set up a Revolut account, and Mr T began funding the Revolut account from his third-party bank account with H. He then forwarded the payments onto a representative from G. He made the following transfers from his Revolut account:

Date	Amount
04/05/2023	£15
04/05/2023	£8,900
05/05/2023	£8,100
24/05/2023	£12,000
25/05/2023	£17,100

The final payment of £17,100 was for tax in order to withdraw his funds, but after that Mr T was asked to pay a further £8,000 in commission. He attempted to get these funds but after speaking with his son, who had serious concerns about the investment, Mr T realised he had been the victim of an investment scam.

He raised a scam claim with Revolut who attempted to recover the funds from the beneficiary account. Unfortunately, none remained and Revolut did not agree to reimburse Mr T as they felt they had taken steps to protect him from the scam.

Mr T disagreed and referred the complaint to our service. Our Investigator looked into it and initially upheld the complaint in part, as they felt Revolut should have provided a tailored warning and it was more likely Mr T would have listened to this and the scam would have been revealed as a result.

Revolut disagreed and our service received telephone calls from H for interventions they carried out on the credits to the Revolut account. Our Investigator issued a new view in which they did not uphold the complaint, as they felt H had provided clear investment scam warnings to Mr T prior to the scam payments leaving his Revolut account. So, they did not think any intervention from Revolut would have revealed the scam at the time.

Mr T's representative disagreed with the outcome. They felt Revolut should have telephoned him and if they had done, they could have uncovered the scam as they had more information about the payments than H.

As an informal agreement could not be reached, the complaint has been passed to me for a final decision.

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 deciding what's fair and reasonable in all the circumstances of a complaint, I'm required to take into account relevant: law and regulations; regulators' rules, guidance and standards; codes of practice; and, where appropriate, what I consider to be good industry practice at the time.

Broadly speaking, the starting position in law is that an account provider is expected to process payments and withdrawals that a customer authorises it to make, in accordance with the terms and conditions of the account. And a customer will then be responsible for the transactions that they have authorised.

It's not in dispute here that Mr T authorised the payments in question as he believed they were part of a legitimate investment. So, while I recognise that he didn't intend the money to go to scammers, the starting position in law is that Revolut was obliged to follow Mr T's instruction and process the payments. Because of this, he is not automatically entitled to a refund.

The regulatory landscape, along with good industry practice, also sets out a requirement for account providers to protect their customers from fraud and financial harm. And this includes monitoring accounts to look out for activity that might suggest a customer was at risk of financial harm, intervening in unusual or out of character transactions and trying to prevent customers falling victims to scams. So, I've also thought about whether Revolut did enough to try to keep Mr T's account safe.

I've reviewed Mr T's statements and I can see this account was opened to facilitate the scam, so Revolut did not have any genuine transactions to compare the scam payments to. Revolut have said they provided a new payee warning, and they declined a transaction of £8,965 due to concerns he could be the victim of a scam. Once Mr T acknowledged this, he was free to make further payments to the same beneficiary, which he did.

However, I think that by the third payment to the payee of £8,100, Revolut should reasonably have had concerns about the value and pattern of the payments up to that point. It was a new account and Mr T had made over £17,000 to a new payee in just two days. And I think it should have carried out checks on this payment before processing it to ensure Mr T was not at risk of financial harm.

I think it would have been reasonable for Revolut to refer Mr T to the in-app chat for further questions and I think this was a proportionate response to the scam risk the payment posed. I appreciate Mr T's representatives have said that due to Mr T's age, 71 years old, Revolut should have telephoned him. However, it is not Revolut's normal process to telephone customers so I therefore think it would not be reasonable to expect them to work outside their normal processes in this particular case. I've gone on to consider whether an intervention via an in-app chat would have revealed the scam and prevented Mr T from making further payments.

In doing so, I have considered that Mr T received a number of investment scam warnings specific to his situation from H prior to making this payment from his Revolut account. I appreciate his representative has highlighted some differences between his specific circumstances and the warnings provided, but I can see he was told scammers can pretend to be advisors and will use screen sharing software to help open accounts with Revolut to help move money to an investment. And I think this was similar enough to the situation he

found himself in.

Despite this, Mr T did not reveal to H that the payments were ultimately for an investment, that he had been asked by anyone to make the payment, that anyone had helped him open the Revolut account or that he had used screen sharing software despite them asking about these points multiple times. Despite H questioning Mr T over the phone in detail about the transactions, they were unable to break the spell and prevent him from making further payments. I therefore think it is unlikely that Revolut could have revealed the scam had they asked Mr T questions via text or provided an investment scam warning at the time.

Mr T's representatives say Revolut should have been able to detect that Mr T had used screen sharing software, as H was able to. But there was not a requirement on Revolut to be able to detect screen sharing software, and there is no evidence to show Mr T used this while making payments from the Revolut account. I appreciate Mr T has been unable to clearly recall if he made the payments himself but looking at the chat between himself and the scammer it appears the scammer gave him text to copy and paste into the Revolut chat. I therefore think it is more likely that Mr T was the one in charge of the Revolut app overall.

On balance, as Mr T had previously been given clear investment warnings that had not broken the spell, and that he had continued to not reveal key facts to H about his situation, I think it is unlikely a better intervention from Revolut would have meaningfully revealed the scam. So, I don't think Revolut therefore needs to reimburse Mr T in the circumstances. I can see Revolut attempted to recover his funds once they became aware of the scam, but unfortunately, none remained.

I'm really sorry to disappoint Mr T, as I know he's lost a significant amount of money. But I'm not satisfied that I can fairly ask Revolut to refund his loss based on the evidence I have seen.

My final decision

I do not uphold Mr T's complaint against Revolut Ltd.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T to accept or reject my decision before 3 January 2025.

Rebecca Norris
Ombudsman