

Complaint

Miss P is unhappy that Revolut Ltd didn't refund her losses after she told it she'd fallen victim to a scam.

Background

In March 2023, Miss P began communicating with a man she met on an online dating website, who I will refer to as Mr G. He claimed to work for a UK-based construction company but said he was currently engaged in projects overseas. Miss P exchanged frequent messages with Mr G, and their relationship quickly developed. By April 2023, Miss P believed that she and Mr G were engaged.

Unfortunately, although she couldn't have known it at the time, Mr G was not a genuine person but a fraudster orchestrating a scam. Shortly after gaining Miss P's trust, Mr G claimed to face a financial emergency. He said he needed funds to pay a tax bill and wanted Miss P to help him do so. He asked that she make a payment to a third-party account – and this person would help get the funds to him. He also promised to send Miss P a parcel containing cash and a valuable diamond ring as security. He assured her that the parcel would help her recoup the funds she loaned him. However, it later appeared that the parcel was detained by customs which meant further requests for payments were made to Miss P.

On 27 April 2023, Miss P contacted Revolut to tell it that there had been a problem with this payment. She was told that the intended recipient had told Mr G that the funds hadn't been received or that there was a problem with him getting access to them. This third party promised to return the funds to Miss P. When this didn't happen, she notified Revolut. She told Revolut that Mr G was working on a construction project in the Philippines and that the payee was someone who was going to help get money to him. In those messages, she described Mr G as her fiancé and suggested that they'd met in the Philippines. Revolut recommended she pursue matters against that third party who hadn't carried out their side of the bargain.

The scam then escalated significantly. Miss P was later told that Mr G had been detained. She was sent messages from people who claimed to be holding him and demanding funds be transferred for his safe release. Mr G persuaded Miss P to fabricate stories to tell her bank in order to ensure the payments would be processed without issue. He also encouraged her to make payments using cryptocurrency, claiming it would simplify the process and avoid complications. According to Miss P, Mr G told her that she shouldn't reveal the truth to the bank or there would be a risk to her and her children.

As requested, she used her Revolut account to make the following payments:

7 Apr 2023	Payee A	£3,000
7 Apr 2023	Payee B	£2,000
8 Apr 2023	Payee B	£1,250

28 Apr 2023	Payee C	£1,200
29 Apr 2023	Payee C	£5
29 Apr 2023	Payee C	£5
2 May 2023	Payee C	£1,150
2 May 2023	Payee C	£1,150
3 May 2023	Payee C	£1,150
3 May 2023	Payee C	£1,200
4 May 2023	Payee C	£1,200
4 May 2023	Payee C	£1,200
5 May 2023	Payee C	£1,200
5 May 2023	Payee C	£1,200
6 May 2023	Payee D	£260
6 May 2023	Payee D	£40
6 May 2023	Payee D	£700

In addition to these payments, Miss P made seven cryptocurrency transfers during this period, either using cryptocurrency she already owned or converting funds via the Revolut platform. I understand she had made some small investments in cryptocurrency in the past.

On 11 May 2023, Miss P contacted the police, expressing fears that Mr G was in danger. She explained her belief that he was being detained and reiterated her concern for his safety. Unfortunately, at this stage, it became clear that Miss P had been the victim of a complex and emotionally manipulative fraud.

She notified Revolut, but it didn't agree to refund her losses. Miss P was unhappy with that and so she referred her complaint to this service. It was looked at by an Investigator who upheld it in part. Revolut disagreed with the Investigator's view and so the complaint was passed to me to consider.

Findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

I issued my provisional decision on this complaint on 22 November 2024. I wrote:

In broad terms, the starting position at law is that a firm is expected to process payments and withdrawals that a customer authorises, in accordance with the Payment Services Regulations (in this case, the 2017 regulations) and the terms and conditions of the customer's account.

However, that isn't the end of the story. Good industry practice required that Revolut be on the lookout for account activity or payments that were unusual or out of character to the extent that they might indicate a fraud risk. On spotting such a payment, I'd expect it to take steps to warn its customer. The extent of that warning

should be proportionate to the risk the payment presents and strike a balance between trying to protect customers and not unduly inconveniencing them.

Miss P's representatives have argued that Revolut could and should have done more to protect her. Revolut has demonstrated that it presented several warnings to Miss P, but these were general in nature and addressed a range of potential scam scenarios. I agree that these warnings were insufficient given the circumstances of the payments she made. However, identifying a shortcoming in Revolut's actions does not automatically mean it is liable to reimburse Miss P's losses. I must consider whether Revolut's actions (or lack of them) were the cause of her losses. This requires me to assess what might have happened if Revolut had acted differently.

It's not possible to know with certainty how Miss P would've reacted if Revolut had intervened more robustly. But even if I concluded that the risk here was so significant as to necessitate a human intervention, I find it highly unlikely that such an intervention would have prevented Miss P from proceeding with the payments. I have reviewed the messages exchanged between Miss P and the scammer. It is evident that she was emotionally invested in the relationship from an early stage, and this significantly clouded her judgment. The scammer gained her trust and convinced her of their romantic connection. Miss P herself has acknowledged that she was blind to the risks at the time.

The context of the later payments was slightly different. By this point, Miss P believed that Mr G was in serious danger and that her failure to comply with his requests for money could result in harm to him or even pose a risk to her own family. In such emotionally charged circumstances, even the most direct and forceful intervention from Revolut is unlikely to have altered her actions. It is also significant that Miss P continued to believe Mr G was genuine even after making all of the payments. She contacted the police not to report fraud, but out of concern for Mr G's safety. It was only after her interaction with the police that she accepted she had been the victim of a scam.

This was an exceptionally cruel and manipulative scam, and I do not underestimate the distress and financial loss Miss P has suffered. However, my role is to determine whether Revolut acted fairly and reasonably in its handling of these payments and whether any shortcomings in its actions caused Miss P's losses. On balance, I cannot reasonably conclude that a proportionate intervention by Revolut would have changed Miss P's decision-making and prevented her losses and so it follows that I can't uphold her complaint.

Miss P's representatives disagreed. It reiterated that Revolut ought to have been aware of the risk of financial harm to Miss P and that it shouldn't have processed these payments without first asking her open questions and probing her answers. It argues that Revolut's failure to do this is a breach of the requirements set out in the BSI Code.

I've considered that response, but I'm not persuaded to reach a different outcome to the one I set out in my provisional decision. I accept the argument that Miss P's representatives have made – Revolut should've done more than it did. But the fact that there was a shortcoming in the way it handled things doesn't automatically mean it needs to pay a refund. I need to be persuaded that it caused Miss P's losses – in other words, if it had handled things differently, would it have made a difference?

Having considered all the available evidence, I'm not persuaded that a proportionate intervention by Revolut would've changed her actions. Even if it had done what I'd have

expected it do in the light of the risk presented by these payments, I think it's more likely than not that she would still have gone ahead with them. I recognise that Miss P misled the bank as to the purpose of the payments out of fear – both for the safety of the person she thought she'd established a relationship with and the safety of her own family. It's understandable why she acted in the way that she did. However, that still meant that it was unlikely Revolut could've prevented the scam payments even if it had attempted to do so.

I know that she will find this outcome gravely disappointing, but since I cannot reasonably conclude that Revolut was the cause of her losses here, I can't uphold her complaint.

Final decision

For the reasons I've explained above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss P to accept or reject my decision before 10 January 2025.

James Kimmitt
Ombudsman