

The complaint

Mr C is unhappy that Revolut Ltd won't refund money he lost to an investment scam.

Mr C is supported in making his complaint by a representative, but for ease, I'll only refer to Mr C in this decision.

What happened

Mr C says that in November 2022 he saw an advert in a publication on social media with a company (which I'll refer to here as 'F') for an investment opportunity relating to Tesla.

Mr C says he read positive and negative reviews about 'F' from other clients, but carried out his own research which overall didn't cause him any concern. He completed an online form and was contacted by a representative of 'F' who explained the company's long-standing history, and how Mr C would be appointed a personal broker (the scammer) who would invest on his behalf in stocks and shares, as well as in crypto, for a 5% fee. Mr C said the scammer was *'extremely friendly, knowledgeable and professional'* and he understood that the scammer would be in regular contact with him.

Mr C decided to invest with 'F' and says that the scammer sent him links, via WhatsApp, to set up a trading platform. Mr C says the scammer also persuaded him to download remote access software, under the premise that this would help the scammer support Mr C through the investment process.

Mr C says he had access to his trading platform with 'F' which showed an initial deposit of £250 (made from another bank account) as well as live trades.

Mr C says the scammer then persuaded him to open a Revolut account to facilitate the investment payments. Mr C opened the Revolut account on 2 November 2022. He then transferred funds into his Revolut account from an account held with another bank (which I'll refer to here as Bank B). Mr C also took out a loan with another lender (which I'll refer to here as 'A') on 2 March 2023 for £10,000 to fund the investment.

The funds from Bank B and 'A' were converted into Euros in Mr C's Revolut account, before being transferred to 'F' via an international payment processor (which I'll refer to here as 'L').

Mr C says that he had regular contact with the scammer about how successful the investment was doing, and that the scammer said by investing in crypto (Bitcoin), he should be able to *'double his money by the end of 2023'* which enticed him to invest more. Revolut provided Mr C with a new beneficiary warning relating to the payment purpose of *'goods and services'* (as he selected) when he initiated a €9,448 payment to 'L' on 7 November 2022.

On 14 November 2022 Mr C tried to transfer £10,000 from Bank B to his Revolut account. Bank B spoke to Mr C on 14 and 15 November 2022 and provided specific investment scam warnings, which Mr C took on board and stopped making payments. But it appears that the scammer got back in touch with Mr C in January 2023 – and convinced him to continue with the investment.

Mr C says that when he could see profits of around €74,000, he told the scammer he wanted to make a withdrawal, but the scammer said he first needed to make several payments to cover a tax bill. Mr C says he questioned this with the scammer, who maintained he had to

make a payment of around 20% of his profits to allow the withdrawal. Mr C didn't have these funds, and eventually contact with the scammer was lost.

The disputed payments were as follows:

| Date | Amount |
|-------------------|----------------|
| 7 November 2022 | €9,448 |
| 9 January 2023 | €11,300 |
| 16 February 2023 | €22,474 |
| 2 March 2023 | €11,270 |
| Total Loss | €54,492 |

Mr C also made a card payment from his Revolut account (not to 'L') for £1,750 on 2 November 2022. He didn't initially dispute this payment (with Revolut or the Financial Ombudsman) but has since told us that it was likely made as part of the scam.

Mr C received a £500 credit into his Revolut account from 'L' on 26 January 2023.

Mr C contacted Revolut about the scam in July 2023. But Revolut said it couldn't investigate his claim as he hadn't provided the necessary information.

Mr C referred a complaint about Revolut to the Financial Ombudsman. In summary, he said Revolut had failed to protect him from financial harm. He wanted his funds refunded, together with 8% interest and £250 compensation for the distress and inconvenience caused.

Revolut told us it had no historical information on which to decide if the payments were out of character for Mr C. It also said the payments took place over several months, suggesting Mr C wasn't pressured into investing; and had time to carry out due diligence. If he had, Revolut said Mr C would've seen negative reviews about 'F'. Revolut also added that Mr C had received a credit from 'L', which indicated an established relationship between 'L' and Mr C.

Revolut added that Mr C had received warnings which it said he had chosen to ignore. It said this constituted gross negligence.

One of our Investigators considered the complaint and partly upheld it. Essentially, she thought Revolut should've flagged the 9 January 2023 payment for €11,300 as suspicious and made further enquiries with Mr C before releasing the payment.

Our Investigator explained why she thought such intervention by Revolut would've resonated with Mr C, and how given the surrounding circumstances of how the investment came about, Revolut would've likely identified that he was falling victim to an investment scam.

But our Investigator thought Mr C should share liability for his loss by way of contributory negligence. She therefore asked Revolut to refund 50% of the payments made from 9 January 2023 (less the £500 credit) – plus 8% simple interest from the date of transaction to the date of settlement. Our Investigator said Revolut should pay interest of 13.4% APR on the €11,270 payment from 2 March 2023, because this had been funded by the £10,000 loan with 'A'.

Mr C accepted our Investigator's findings. Revolut didn't and in summary it said:

- the fraudulent activity didn't occur from Mr C's Revolut account. The funds went from that account to an account held in Mr C's name and in his control, and it was from that account the funds were lost;
- *'for the [Financial Ombudsman] to effectively apply the reimbursement rules to self-to-self transactions executed by Revolut is an error of law. Alternatively, the [Financial Ombudsman] has irrationally failed to consider the fact that these*

transactions are self-to-self and therefore obviously distinguishable from transactions subject to the regulatory regime concerning APP fraud'.

- It was unfair of the Financial Ombudsman to hold Revolut responsible for 50% of Mr C's loss when it was *'merely an intermediate link'* and there are other businesses involved in the payment journey here that should be held to account.

Revolut was also concerned that we were asking it to cover the loan interest rate. It said it was 'A' who had suffered the loss here – not Mr C. And that our Investigator was essentially asking Revolut to refund 'A' for a loan it *'inexplicably'* gave to Mr C for the purposes of a scam. Revolut said *'this would be neither fair nor reasonable'*.

Revolut said the responsibility for this loss should lie with 'A' if it didn't carry out proper due diligence before approving the loan – or with Mr C if sufficient diligence was conducted by 'A' when Mr C applied for the loan, but he wasn't truthful. Either way, Revolut said holding it accountable for Mr C's loss here amounted to an 'irrational outcome'.

Our Investigator considered the points Revolut made – but maintained her opinion that it could've prevented Mr C's loss if it had asked questions of Mr C before processing the €11,300 payment.

Our Investigator also pointed out that we'd not had a complaint from Mr C about either Bank B or 'A' and that we couldn't compel Mr C to complain. But she said she'd obtained information from Bank B which helped formulate her opinion that questioning by Revolut in relation to the €11,300 payment would've likely uncovered the scam and prevented further loss. And our Investigator maintained Revolut should refund the loan interest.

Revolut still disagreed and so Mr C's 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.

Having done so, I've decided to uphold it in part – for largely the same reasons as our Investigator.

The details of this complaint are well known to both parties. So, if there's a submission I've not addressed; it isn't because I've ignored the point. It's simply because my findings focus on what I consider to be the central issues in this complaint – that being whether Revolut was responsible for Mr C's loss.

In deciding what's fair and reasonable, I'm required to take into account relevant law and regulations, regulators' rules, guidance and standards, and codes of practice; and, where appropriate, I must also take into account what I consider to have been good industry practice at the time.

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.

And, as the Supreme Court has recently reiterated in *Philipp v Barclays Bank UK PLC*, subject to some limited exceptions banks have a contractual duty to make payments in compliance with the customer's instructions.

In that case, the Supreme Court considered the nature and extent of the contractual duties owed by banks to their customers when making payments. Among other things, it said, in summary:

- The starting position is that it is an implied term of any current account contract that,

where a customer has authorised and instructed a bank to make a payment, it must carry out the instruction promptly. It is not for the bank to concern itself with the wisdom or risk of its customer's payment decisions.

- At paragraph 114 of the judgment the court noted that express terms of the current account contract may modify or alter that position. In *Philipp*, the contract permitted Barclays not to follow its consumer's instructions where it reasonably believed the payment instruction was the result of APP fraud; but the court said having the right to decline to carry out an instruction was not the same as being under a legal duty to do so.

In this case, the terms of Revolut's contract with Mr C modified the starting position described in *Philipp*, by expressly requiring Revolut to refuse or delay a payment '*if legal or regulatory requirements prevent us from making the payment or mean that we need to carry out further checks*'.

So, Revolut was required by the implied terms of its contract with Mr C and the Payment Services Regulations to carry out his instructions promptly, except in the circumstances set out in its contract, which included where regulatory requirements meant it needed to carry out further checks.

Whether or not Revolut was required to refuse or delay a payment for one of the reasons set out in its contract, the basic implied requirement to carry out an instruction promptly didn't in any event mean Revolut was required to carry out the payments immediately¹. Revolut could comply with the requirement to carry out payments promptly while still giving fraud warnings, or making further enquiries, prior to making the payment.

And, I'm satisfied that, taking into account longstanding regulatory expectations and requirements and what I consider to have been good industry practice at the time, Revolut should in November 2022 fairly and reasonably have been on the look-out for the possibility of fraud and have taken additional steps, or made additional checks, before processing payments in some circumstances (irrespective of whether it was also required by the express terms of its contract to do so).

In reaching the view that Revolut should have been on the look-out for the possibility of fraud and have taken additional steps, or made additional checks, before processing payments in some circumstances, I'm mindful that in practice all banks and EMIs, like Revolut, do in fact seek to take those steps, often by:

- using algorithms to identify transactions presenting an increased risk of fraud;²
- requiring consumers to provide additional information about the purpose of transactions during the payment authorisation process;
- using the confirmation of payee system for authorised push payments;
- providing increasingly tailored and specific automated warnings, or in some circumstances human intervention, when an increased risk of fraud is identified.

¹ The Payment Services Regulation 2017 Reg. 86 states that "the payer's payment service provider must ensure that the amount of the payment transaction is credited to the payee's payment service provider's account **by the end of the business day following the time of receipt of the payment order**" (emphasis added).

² For example, Revolut's website explains it launched an automated anti-fraud system in August 2018: <https://www.revolut.com/news/revolut-unveils-new-fleet-of-machine-learning-technology-that-has-seen-a-fourfold-reduction-in-card-fraud-and-had-offers-from-banks/>

In reaching my conclusions about what Revolut ought fairly and reasonably to have done, I'm also mindful that:

- Electronic Money Institutions like Revolut are required to conduct their business with “due skill, care and diligence” (FCA Principle for Businesses 2), “integrity” (FCA Principle for Businesses 1) and a firm “must take reasonable care to organise and control its affairs responsibly and effectively, with adequate risk management systems” (FCA Principle for Businesses 3)³.
- Over the years, the FCA, and its predecessor the FSA, have published a series of publications setting out non-exhaustive examples of good and poor practice found when reviewing measures taken by firms to counter financial crime, including various iterations of the *“Financial crime: a guide for firms”*.
- Regulated firms are required to comply with legal and regulatory anti-money laundering and countering the financing of terrorism requirements. Those requirements include maintaining proportionate and risk-sensitive policies and procedures to identify, assess and manage money laundering risk – for example through customer due-diligence measures and the ongoing monitoring of the business relationship (including through the scrutiny of transactions undertaken throughout the course of the relationship). I don't suggest that Revolut ought to have had concerns about money laundering or financing terrorism here, but I nevertheless consider these requirements to be relevant to the consideration of Revolut's obligation to monitor its customers' accounts and scrutinise transactions.
- The October 2017, BSI Code⁴, which a number of banks and trade associations were involved in the development of, recommended firms look to identify and help prevent transactions – particularly unusual or out of character transactions – that could involve fraud or be the result of a scam. Not all firms signed the BSI Code (and Revolut was not a signatory), but the standards and expectations it referred to represented a fair articulation of what was, in my opinion, already good industry practice in October 2017 particularly around fraud prevention, and it remains a starting point for what I consider to be the minimum standards of good industry practice now (regardless of the fact the BSI was withdrawn in 2022).

Overall, 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 November 2022 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

³ Since 31 July 2023 under the FCA's new Consumer Duty package of measures, banks and other regulated firms must act to deliver good outcomes for customers (Principle 12), but the circumstances of this complaint pre-date the Consumer Duty and so it does not apply.

⁴ BSI: PAS 17271: 2017” Protecting customers from financial harm as result of fraud or financial abuse”

processing a payment – (as in practice Revolut sometimes does).

Should Revolut have recognised that Mr C was at risk of financial harm from fraud?

It isn't in dispute that Mr C has fallen victim to a cruel scam here, or that he authorised the disputed payments he made to 'L', which were subsequently credited to his account with 'F' and unfortunately lost to the scam.

Whilst I've set out in detail in this decision the circumstances which led Mr C to make the payments using his Revolut account and the process by which that money ultimately fell into the hands of the scammer, I'm mindful that Revolut had much less information available to it upon which to discern whether any of the payments presented an increased risk that Mr C might be the victim of a scam.

Mr C opened his Revolut account on 2 November 2022 and other than a credit for £2,000 on 2 November 2022, the disputed activity were the only payments to take place prior to the scam. So, Revolut had no meaningful account activity to compare the disputed payments to.

But that doesn't mean Revolut wasn't able to recognise suspicious activity – only that the information it had on which to make that assessment was limited.

I've thought about what Revolut did know about Mr C when he came to make the first payment. That information was limited. Other than the payment amount and destination, it knew his personal details and that the account had been recently set up. When opening the account Mr C had stated he intended to use the account for 'transfers'.

Mr C was making the payments to fund an investment – so they might've seemed at odds with his intended account usage. But the payments weren't made direct to 'F' – instead they were made to 'L', a legitimate payment processor. Therefore, I don't think Revolut would've had any obvious concern that Mr C's account wasn't being used for its intended purpose.

I've gone on to consider the size of the payments made. As I've mentioned above, Mr C made a card payment for £1,750 on 2 November 2022 which he now says was part of the scam. I've not seen evidence to support this, nor has Revolut had a chance to consider this payment. But even if I were to consider it here, I don't think the payment value would've given any reasonable basis for Revolut to be concerned Mr C was at risk of financial harm from fraud.

Looking next at the €9,448 payment made on 7 November 2022, this was of high value and being made to a new, international payee ('L'). And whilst there was no account history for Revolut to rely upon, this payment was made shortly after four credits into the account of £2,000 each, and an exchange into Euros. This payment also cleared all but €0.65 from Mr C's account.

I also think Revolut should've been concerned about the €11,300 payment made on 9 January 2023. I recognise that 'L' was an established payee when the €11,300 payment was made, but this is still a high value payment to an international payee which depleted Mr C's account balance.

I can also see that this payment followed an attempted failed payment the day before for the same value, which Revolut has said was due to a technical error – but hasn't provided any further detail. And given that Mr C selected 'goods a services' as the payment purpose for the first payment to 'L' in November 2022 – I think a further payment to 'L' for a higher amount two months later should've appeared suspicious to Revolut.

Considering all those factors together, I think that the €9,448 and €11,300 payments carried an elevated risk of financial harm from fraud, and I'd have expected Revolut to have provided warnings that were proportionate to the risks that the payments presented.

What did Revolut do to warn Mr C?

I've gone on to consider whether the warning that Revolut gave was proportionate to the risk the €9,448 payment presented. I think it was. I'll explain why.

Revolut has said the following warning was provided when it detected Mr C was making a payment to a new payee ('L'):

'Do you know and trust this payee? If you're unsure, don't pay them, as we may not be able to help you get your money back. Remember, fraudsters can impersonate others, and we will never ask you to make a payment.'

Victims lose millions every year. In 2020, in the UK alone victims lost £479m to bank transfer scams. It's important that you take care and do your research before making a payment as once funds have been received by a fraudster, they are very difficult to get back. Fraudsters are professionals. They will try to trick you into sending them money by pretending to be someone who trusts. They can make their calls, emails, and advertisements seem legitimate'.

Revolut asked Mr C for the purpose of the €9,448 payment, to which he selected 'goods and services' and was presented with the following:

'Fraudsters advertise goods and services online for prices which are often too good to be true. In reality, the goods are either counterfeit or don't actually exist.' and "Are you being scammed? Fraudsters may ask you to pay by bank transfer instead of card payment. Before making a payment, do your research to check if the retailer is reputable. Remember, if a price or an offer seems too good to be true, it usually is.'

In line with industry practice at the time this payment was made, I believe that asking Mr C for the payment purpose to allow it to provide a tailored written warning would've been sufficient.

The warning Revolut provided wasn't specific to the scam Mr C was falling victim to; but that was because he didn't select the correct payment purpose. I can't hold Revolut at fault here, and think it provided Mr C with a proportionate warning based on the information Mr C provided it with.

In terms of the €11,300 payment, Revolut has confirmed to us that no warnings were provided. I don't think this was proportionate to the risk I believe Revolut should've identified.

What kind of warning should Revolut have provided in relation to the €11,300 payment?

I've thought carefully about what a proportionate warning in light of the risk presented would be in these circumstances. In doing so, I've taken into account that many payments that look very similar to this one will be entirely genuine. I've also given due consideration to Revolut's duty to make payments promptly, as well as what I consider to have been good industry practice at the time this payment was made.

Taking that into account, I think it would've been fair and reasonable for Revolut, in the circumstances of Mr C's case, to have initiated a human intervention with Mr C when he attempted to make the €11,300 payment; so Revolut could understand more about the purpose of that payment.

If Revolut had provided a warning of the type described, would that have prevented the losses Mr C suffered from the €11,300 payment?

I've thought very carefully about whether a warning of the type I've described would've resonated with Mr C and prevented him from making the €11,300 payment. Having done so, I think it would. I'll explain why.

The circumstances of Mr C's case had many features that are common to this type of investment scam. Mr C saw the investment on social media, and after expressing an interest, was contacted by the scammer. The scammer was 'trading' on Mr C's behalf for a 5% fee and got him to install remote access software to assist in opening accounts with both Revolut and with 'F'. Mr C made a small initial deposit, which quickly increased in value, and the investment involved crypto. This information should've all been of great concern to Revolut.

Importantly, I think, Mr C was also about to make a larger payment – one that would turn a modest investment (and potential loss) into something much more significant. I think he's likely to have been more receptive to a warning at a point where he had more to lose.

In addition, Mr C didn't receive any specific warnings from Revolut. But he did speak to Bank B on the phone on 14 and 15 November 2022 when trying to transfer funds to his Revolut account and was provided with a verbal warning that he was likely falling victim to a scam.

I've listened to those calls and Bank B asked Mr C probing questions about the payment purpose, and he was very honest in his responses, and appears receptive to Bank B's concerns. Mr C explained the payments were for an investment and that there was a 'financial advisor' who had helped him set up his Revolut account to make it easier to make transfers to the investment. And that he'd been instructed to download remote access software to allow the financial advisor to make trades on his behalf.

Mr C explained that he had found the investment on social media relating to Tesla – but that he was now investing in crypto (Bitcoin) on the advice of the financial advisor who told him he could double his money in a month and that it was '*low risk*'. And that an initial investment of around £10,000 had already made him around £400. Mr C confirmed he'd not checked the Financial Conduct Authority (FCA) register and couldn't recall the trading company's name. He was also unsure as to how he could make withdrawals from the investment.

Bank B was very concerned Mr C was falling victim to a scam and advised him to stop the payment to carry out further checks – which Mr C was receptive to. Bank B told Mr C to remove the remote access software, explaining how this can allow a scammer to provide fake trading platforms to make the investment appear genuine. Bank B blocked the payment and Mr C's account. It later decided it would invoke the banking protocol if Mr C persisted with the payment.

Mr C didn't attempt any further payments until January 2023 (when the scammer got back in touch with him). This suggests to me that Mr C took on board the advice Bank B gave to him, albeit in the short term until he was unfortunately convinced to invest further by the scammer.

I also appreciate that Mr C provided the wrong payment purpose when Revolut asked about the €9,448 payment. But I think it's reasonable to conclude that the true payment purpose would've been uncovered had Revolut interacted with Mr C about the €11,300 payment. Revolut ought also to have been aware that scam victims are often told to hide the real reason of the payment or prompted on what options to select by scammers. So, Revolut should have enough experience of recognising unusual payments, identifying the risk the payment presents, and where appropriate, probe the customer further to test their responses to questions.

And from listening to the call between Mr C and Bank B, I don't believe there's any compelling evidence that Mr C would've misled Revolut about the purpose of the €11,300 payment or the surrounding circumstances if Revolut *had* spoken to him. I think he'd have likely also added that he had looked at reviews into 'F' – seeing some good and some bad, and that he'd been told by the scammer he could double his money by the end of 2023 – hence the reason why he was now paying larger amounts into the investment.

I've also considered that Mr C eventually came to the realisation himself that he might be the victim of a scam. This appears to have come about following the scammer's instruction that he needed to make tax related payments to release his profits. Mr C has said he questioned this with the scammer and maintained that he didn't have any more money to cover the tax costs.

I think all this demonstrates that Mr C wasn't oblivious to the potential risk and, all things considered, I've concluded that a warning of the type I've described would've resonated with him.

This, I believe, would've then built on the warnings already provided to Mr C by Bank B. And combined with the negative reviews Mr C said he'd seen online, would've most likely, in my opinion, have been enough to completely overcome the scammer's influence over Mr C, and dissuaded him from going ahead with the €11,300 payment or reengaging with the scammer, therefore preventing his losses from that point.

Is it fair and reasonable for Revolut to be held responsible for Mr C's loss?

In reaching my decision about what is fair and reasonable, I've taken into account that Revolut has also said that the funds were transferred to an account in Mr C's own name, and from where he had control of them, rather than making payments directly to the fraudster. So, Revolut says there were further steps before the funds were lost to the scammer and that it wasn't the point of loss.

I've also taken into account that the money that funded these transactions came from two regulated firms (Bank B and 'A'), and Mr C might potentially have a claim against them in respect of their actions (although neither firm is a party to this complaint and so I make no finding about their role here).

But as I've set out above, I think that Revolut still should've recognised that Mr C might've been at risk of financial harm from fraud when he made the €11,300 payment, and in those circumstances Revolut should've made further enquiries about the payment before processing it. If it had done that, I'm satisfied it would've prevented the losses Mr C suffered.

From the information I've seen, it looks as though Mr C's payments, contrary to Revolut's understanding, went direct to 'F', not first to an account in his own name and over which he had control. And the fact that the money used to fund the scam came from elsewhere doesn't alter the fact that Revolut could've prevented Mr C's loss, and so I think it can fairly be held responsible for his loss in such circumstances. I don't think there's any point of law or principle that says that a complaint should only be considered against either the firm that is the origin of the funds or the point of loss.

I've also considered that Mr C has only complained against Revolut. I accept that it's *possible* that other firms might also have missed the opportunity to intervene or failed to act fairly and reasonably in some other way, and Mr C could instead, or in addition, have sought to complain against those firms. But Mr C has not chosen to do that and ultimately, I cannot compel him to. In those circumstances, I can only make an award against Revolut.

I'm also not persuaded it would be fair to reduce Mr C's compensation in circumstances where: the consumer has only complained about one respondent from which they are entitled to recover their losses in full; has not complained against the other firm (and so is unlikely to recover any amounts apportioned to that firm); and where it is appropriate to hold a business such as Revolut responsible (that could have prevented the loss and is responsible for failing to do so). That isn't, to my mind, wrong in law or irrational but reflects the facts of the case and my view of the fair and reasonable position.

Ultimately, I must consider the complaint that has been referred to me (not those which haven't been or couldn't be referred to me) and for the reasons I've set out above, I'm

satisfied that it would be fair to hold Revolut responsible for Mr C's loss from the €11,300 payment (subject to a deduction for Mr C's own contribution which I'll consider below).

Should Mr C bear any responsibility for his losses?

In considering this point, I've taken into account what the law says about contributory negligence as well as what's fair and reasonable in the circumstances of this complaint. Having considered the matter carefully, I think there should be a deduction here.

I think that, as a layman with little investment experience, there were several features of the scam that would've appeared convincing. Mr C was introduced to it through an advert in a news article on social media (that a reasonable person might expect to be vetted in some way before being published). And, while I haven't seen the specific advert Mr C saw, I've seen many similar ones, and they can appear to be very convincing – often linking to what appears to be a trusted and familiar news source.

Mr C was also contacted by the scammer whom he found to be professional, friendly, and knowledgeable. Mr C has said the scammer regularly kept him updated on how well his investment was doing and that he could see his trades (and his profit) on 'F's trading platform.

I've also reviewed the information that would've been available to Mr C at the time and whilst there are negative reviews about 'F', there was no regulatory warnings about 'F' on the FCA's website.

However, I do think that Mr C should've been more sceptical to the information he was seeing on his trading platform and what he was being told by the scammer.

Significantly, Mr C says he'd seen some negative reviews about 'F', some, which I can see predate the €11,300 payment, and explicitly refer to 'F' being a scam. Bank B had raised similar concerns with Mr C back in November 2022 which clearly resonated with Mr C, and suggested he make further enquiries before proceeding. If he had done so or sought advice from Bank B or Revolut before reengaging with the scammer in January 2023, I think it's more likely than not Mr C would've been able to prevent his loss.

Overall, I think that it's fair for responsibility to be shared for Mr C's loss from the €11,300 payment onwards.

Revolut has disputed that it should pay 13.4% interest on the €11,270 payment. Our general approach to interest is to award 8% for the loss of use of funds. I think this is fair and Mr C has agreed.

Recovery of funds

Finally, I've thought about whether Revolut could've done more to try and recover the lost funds at the point it was alerted to the scam. But I don't think it could've done.

The payments went to an international account ('L'), so I'm satisfied that had Revolut attempted recovery, it's unlikely this would've been successful. Recovering funds sent internationally isn't as straightforward as within the UK; where there are established best practice standards to follow.

Further, money transferred because of a scam is generally moved on very quickly. So, although Revolut could've tried to recover the funds when Mr C alerted it to the scam, more than four months had passed. And so, I don't think, on balance, this would've made a difference here.

My final decision

For the reasons given above, I uphold this complaint in part and direct Revolut Ltd to pay Mr C 50% of:

- the loss from the point of the €11,300 payment (€45,044) less the £500 credit (converted into Euros using the mid-market exchange rate on 26 January 2023).

Plus 8% simple interest per year on that amount from the date of payments to the date of settlement.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision **before 25 April 2025**.

Anna Jackson
Ombudsman