

The complaint

Mr T complains that Revolut won't reimburse him the money he lost to an investment scam.

Mr T is professionally represented in bringing his complaint, but for ease of reading, I'll refer to all submissions as being made by Mr T directly.

What happened

Mr T has explained that he saw an advertisement on a social media platform that appeared to link to a news platform. The advertisement was for an investment service that was supposedly founded by a well-known businessman. Believing the advert to be legitimate, Mr T followed the link provided and left his details to be contacted on. Unfortunately, unknown to Mr T at the time, this was a scam investment.

Mr T was contacted by an individual purporting to be an investment broker and was instructed on how to set up an account on the scam investment platform and to download a screen sharing application. Mr T was told initially he needed to invest a minimum of £200, which he sent to the scammer from another of his accounts.

Mr T was led to believe this money was being invested and was shown falsified information that suggested he was making returns. Mr T was then told that due to a condition of the stock market, if he invested, returns were almost guaranteed. On this recommendation, Mr T opened a Revolut account and made two payments of £9,910 and £4,135 on the same day.

Pleased with how his investment was performing, around a week later Mr T requested to make a withdrawal, but was told first he had to pay a fee of £4,000, which he did, believing it was the only way to access his funds placed into the investment. However, when the fraudster then asked Mr T to pay a second fee, Mr T realised he'd fallen victim to a scam. Mr T therefore contacted Revolut to raise a claim.

Revolut considered Mr T's complaint but didn't uphold it. It said that when Mr T made the payments, it provided a number of scam questions and warnings. These have already been covered in detail by the investigator's view so I won't repeat them in full here, but I've included the most relevant points below.

When making each of the three payments, as they were made to a new beneficiary each time, Revolut provided the following warning:

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'll never ask you to make a payment.

Following this, for each payment, Mr T was provided with a set of screens, setting out some advice on protecting himself from scams. One of these screens included advice about not giving remote access to others.

Then for each payment, Mr T was asked to confirm the purpose for payment. Each time, the purpose chosen was 'something else'. Again, Mr T was asked to confirm that he'd selected the payment on his own accord, that he had not installed screen sharing software and that he had not been told to ignore warnings.

Additionally, when Mr T made the second payment, Revolut sent Mr T further messages via a chat function with Mr T, advising that this was a very risky transfer and that should he decide to make it *'the most likely outcome is you'll lose your money and we won't be able to get it back for you'*. Mr T was asked to confirm once again that he wasn't being guided and that he wasn't using screen sharing software and asked if he wanted to cancel the transaction. Mr T confirmed he wished to proceed with the transaction.

On this basis Revolut considered it did enough to protect Mr T and did not offer a refund.

Mr T remained unhappy and referred his complaint to our service. An investigator considered the complaint but didn't uphold it. He determined that Revolut had asked questions to determine whether Mr T was at risk of financial harm and that Mr T hadn't provided accurate answers on several questions, such as the payment purpose, whether he was being guided in making payments and whether he was using screen sharing software. He also considered that as the fraudster was making the payments on Mr T's behalf using the screen sharing software, further warnings provided by Revolut wouldn't have made a difference, as the fraudster would have bypassed them.

Mr T disagreed with the investigator's view. He said that as he's dyslexic, the in-app warnings Revolut provided were inadequate and that Revolut ought to have contacted him by phone to question the payments.

As Mr T disagreed with the investigator's view, the complaint has been referred 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, while I'm sorry to disappoint Mr T, I'm not upholding his complaint. I appreciate this isn't the outcome he was hoping for, but I've explained my reasons for reaching this outcome below.

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.

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 October 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);

It isn't in dispute that Mr T has fallen victim to a cruel scam here, nor that he authorised the disputed payments he made from his account (despite the fraudster doing so on his behalf), but I've thought about whether Revolut should have reasonably intervened further, prior to processing the payments.

Mr T's Revolut account was opened for the purposes of this scam, so Revolut had no previous account history to consider when assessing whether these payments were out of character or not. Nevertheless, the payments Mr T made were sufficiently high value that I think it was necessary for Revolut to question the payments further before processing them, as it did.

As mentioned already, while Mr T authorised the payments that were made to the scam, he's said it was the fraudster that was controlling the payment process and therefore providing incorrect answers to the questions posed by Revolut. Our understanding of Revolut's systems at the time these payments were made is that, depending on what form of device Mr T was using, there would have been various levels of input that he himself would be required to make as part of the payment journey, and that a payment couldn't be made entirely through screen sharing on any device. However, irrespective of this, the fact that the fraudster was facilitating Mr T and, at the least, informing Mr T on how to answer questions, would have unfortunately made it harder for Revolut to detect what scam risk, if any, was present here, how high the threat of a scam was, or provide a relevant warning.

Based on the answers Revolut was provided with, I think the action it took was proportionate. While I think it could arguably have done more to better understand the specifics of the payment purpose when Mr T selected 'something else', I think that even if it had done, again the fraudster would have advised Mr T (or themselves selected) the answer that posed the least amount of friction to avoid detection, and the payment would have been processed.

I've considered Mr T's point that as he is dyslexic, the in-app warnings were inadequate. I'm aware that Mr T set his Revolut account up for the purposes of the scam and therefore wouldn't have been aware of Mr T's dyslexia – and there's no requirement for Revolut to request information of this nature during an account opening process. I can see that in the weeks following the scam, Mr T did ask Revolut for a phone call rather than using the chat function due to his dyslexia, so I think this option could also have been available to Mr T at the time he made the payments, should he have requested.

Overall, while I'm sorry to disappoint Mr T, I think that based on the lack of financial history Revolut held about him and the answers he provided to its questioning, the level of intervention undertaken by Revolut was appropriate in the circumstances. As I haven't found that Revolut acted unfairly in its processing of Mr T's payments, it follows that I can't hold Revolut liable for any of Mr T's losses.

Recovery of funds

Once it was made aware of the scam, Revolut did attempt to recover Mr T's funds but unfortunately was unsuccessful. As Mr T didn't contact Revolut to report the scam until almost two weeks after the final payment was made, I don't think any swifter action on Revolut's part would've impacted its ability to recover Mr T's funds.

My final decision

My final decision is that I don't 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 9 April 2025.

Kirsty Upton
Ombudsman