

The complaint

Mr G has complained Revolut Ltd did nothing to stop payments he made which turned out to be part of an employment investment scam.

What happened

In 2023 Mr G became aware of potential job opportunities through social media and got in touch with the individuals responsible. They mostly communicated with him through WhatsApp. and told him he'd need to take financial positions in certain commodities.

To assist him in making payments which he was required to do, Mr G set up an account with Revolut. As soon as he opened the account, he made credits in from his other bank account. Those payments also included the proceeds of a loan Mr G took out with his other bank. Over a period of just over a month, Mr G made 11 transactions to seven newly set-up payees. Some payments were declined, and re-credited to his account. He also received a payment of £460 from an individual just after sending them over \$2,500.

Mr G realised he was involved in a scam after being asked for further payments, being money he didn't have, and after discussing what was going on with his mother. (Mrs G, Mr G's mother has represented him in his complaint but for ease I will refer mainly to Mr G throughout). Mr G contacted Revolut online to ask for their help and to see whether he'd get a refund.

Revolut confirmed they wouldn't refund Mr G. There was nothing in his payment behaviour that looked unusual. They'd provided specific warnings to him for certain of the payments and now understood that Mr G had not been truthful. They also confirmed their terms and conditions made it clear that it was their customers responsibility to check who they were dealing with.

Mr G brought his complaint to the ombudsman service.

After reviewing the evidence, our investigator confirmed she wasn't going to ask Revolut to refund any of the money Mr G had lost. She felt in all likelihood that even if they had intervened further, Mr G was more than likely to insist the payments were made.

Mr G provided further evidence to support his complaint including evidence of his health which caused him to be vulnerable and open to suggestion. Our investigator confirmed as Revolut had been unaware of Mr G's health condition, she couldn't ask them to refund him because of that.

Mr G has asked an ombudsman to review his complaint.

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 reached the same outcome as our investigator. I'll explain why.

Where there is a dispute about what happened, I have based my decision on the balance of probabilities. In other words, on what I consider is most likely to have happened in the light of the evidence.

Mr G was scammed. This has had an impact on his finances. He has my sympathy about what he has gone through. I've not written in detail about all of the different aspects of what happened. However, I've seen Mrs G's persuasive testimony about her son, along with the detailed views and subsequent correspondence between our investigator and Mrs G. I can confirm I've taken this into account.

I've also noted the evidence about Mr G's health. I don't dispute his mother's conviction that her son is a vulnerable customer. However, whilst I have considered this, I should confirm upfront there is no evidence that Revolut would ever have known this or that Mr G took any steps to make them aware of his health.

There's no dispute that Mr G made and authorised payments totalling over £11,000 from his Revolut account to seven different individuals accounts with Revolut.

I'm satisfied the disputed transactions were authorised under the Payment Services Regulations 2017

Our starting point is that banks and electronic money institutions are required to follow their customer's instructions. 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 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;
- have acted to avoid causing foreseeable harm to customers, for example by maintaining adequate systems to detect and prevent scams and by ensuring all aspects of its products, including the contractual terms, enabled it to do so;
- 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;
- have been mindful of – among other things – common scam scenarios, how the fraudulent practices are evolving (including for example the common use of multi-stage fraud by scammers, including the use of payments to cryptocurrency accounts as a step to defraud consumers) and the different risks these can present to consumers, when deciding whether to intervene.

I've reviewed these payments and can see that Mr G had only just opened his account with Revolut so they had no history of his transaction behaviour to base any assessment on. I can also see that – apart from one payment – the payments were all for amounts considerably under \$4,000. That along with the funds being sent to named individuals wouldn't necessarily have caused any alarm bells to ring.

So what did Revolut know about Mr G and what the type of payments he was making?

When Mr G opened the account, he told Revolut he'd be using it for varied potential purposes. This meant they'd already be aware that a range of activity – including payments which may resemble investments – would fit his profile.

I can also see that every payment to a new individual being set up meant that Revolut provided a warning to let Mr G know that this transaction would be unable to be recalled, ensuring that Mr G checked he had the right details. This would also provide him with a time to think about what he was doing.

The first four transactions were temporarily stopped so that Mr G was asked to review these and confirm the purpose of these payments. In all cases Mr G confirmed he was making payments to a safe account. This means that two out of the four payments Mr G made on 17 July 2023, when a number of payments were made, were actually queried.

Further payments were made a couple of days later. Not all of these payments were queried but two of these were. Mr G again confirmed he was making payments to a safe account.

That said, I do think the number of payments being made in one day should have caused Revolut to intervene further.

However, based on what Mr G was doing, and what I know he also confirmed to his other bank, I think it's more than likely Mr G would have continued to confirm the story he believed was right.

At the same time, Mr G has admitted he'd done no checking into the company he was supposedly working for when I suspect with a bit of searching, he'd have become quickly aware that this was all a scam.

I've also reviewed the WhatsApp messages showing some of Mr G's interaction with the company he was supposedly working for. I can see he confirmed he was doing this in secret and didn't want to share any of the details. So, for example, he stated "*I don't want her [meaning his mother] to know about it*". I'm satisfied that he really wouldn't have told Revolut the truth about what he was doing if he was unwilling to share this with someone he was close to and trusted.

So overall I don't believe there's any scope for me to ask Revolut to refund Mr G on the basis they should have intervened and stopped him from making the payments.

I can see that Revolut didn't properly check the availability of funds remaining in the accounts of the recipients until much later in the complaints process. This has obviously concerned Mr G. However, I don't think intervention any earlier would have made any difference based on the evidence I've seen. As the recipients of the funds held accounts with Revolut, I've been able to review their evidence of funds being unavailable.

Mr G is obviously unhappy about the complaints process, but this aspect wasn't part of his complaint to Revolut. What I can say is that I've seen Revolut asked Mr G to provide them with further evidence to enable them to investigate his fraud claim, but Mr G was unable, at that stage, to provide anything to enable further investigation.

I appreciate that Mr G has lost out financially, but I don't believe it would be fair and reasonable to expect Revolut in the circumstances here to make good on those.

My final decision

For the reasons given, my final decision is not to uphold Mr G's complaint against Revolut

Ltd.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 19 June 2025.

Sandra Quinn
Ombudsman