

The complaint

Miss R complains that Revolut Ltd won't refund £14,300 she lost to an investment scam.

Miss R is being represented by solicitors in her complaint.

What happened

In August 2021, Miss R came across an investment trading opportunity on a social media platform. She states she completed her due diligence on the company, "W", and signed up once she was satisfied that she was dealing with a legitimate company.

Miss R's account manager placed the trades on her behalf, she saw profits and was also able to make withdrawals. She says she was then persuaded to trade on the stock market and that's when things started going wrong.

To fund the trades, Miss R initially sent money from a different bank account. She sent the funds to a cryptocurrency exchange, "C", and converted it into cryptocurrency before sending it on to her trading account. Miss R states that when one of the payments to C was initially blocked by her bank, she was manipulated by her account manager to open another account. That's when the Revolut account – the subject matter of this complaint – was opened.

Miss R used her Revolut debit card to make three payments to C:

£5,500 on 1 September 2021
£4,400 on 15 September 2021
£4,400 on 21 September 2021

Miss R says she eventually realised she'd been scammed when she started incurring losses and her account manager became aggressive and asked her to deposit more funds. She reported the scam to Revolut but it declined to refund the money. Miss R complained to Revolut about its decision, and subsequently referred it to our service.

Our investigator thought Revolut hadn't done anything wrong in releasing the payments in accordance with Miss R's instructions. And there were no grounds to recoup the funds after it was notified of the scam. Miss R didn't agree and asked for an ombudsman to make a decision on her 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.

I'd like to reassure Miss R, her representative, and Revolut that although I've only set out the key points above, I've read and considered what's been provided in its entirety.

Having done so, I agree with the conclusions reached by the investigator for these reasons:

- The first question I need to consider in any case involving an investment scam is to determine, so far as is reasonably possible, whether the complainant has in fact been scammed, rather than simply losing money to a high-risk investment. This is important because payment service providers, including banks and electronic money institutions (EMIs), only have a duty to protect customers from the risk of financial loss due to fraud. This duty to intervene isn't triggered where payments are made to a legitimate investment.
- In this case, not much is known about this investment 'opportunity'. Despite highlighting that to Miss R's representative, we've not been provided with any documentary evidence (such as emails, screenshots, etc.) of her dealings with W. I've done my own research in to W and other than its namesake, which is a global intergovernmental organisation and therefore unlikely to be the investment firm Miss R was dealing with, I've been unable to find any information about it. With such limited information, it's unclear whether Miss R was indeed scammed. But she claims that she was and Revolut hasn't disputed this, so I've proceeded on that basis.
- The transactions in dispute were authorised by Miss R using her legitimate security credentials. Under the relevant regulations, she's considered liable for the loss – even if she was duped into making the payments – unless there's evidence that Revolut could and should reasonably have done more to protect her against the risk of fraud and scams *and* that this would have made a difference to her decision-making.
- In this case, Miss R didn't have an account with Revolut before the disputed payments were made. She set it up as instructed and so there was no transaction history to compare the payments with. Revolut is an EMI, not a bank or a building society. EMIs are set up with the purpose of sending and receiving money. And often that will be for larger sums. Considering the individual amounts involved here and the gap between each transaction, I'm not persuaded the payments were of a nature that I think Revolut ought to have intervened. And I'm not aware there was any interaction between Revolut and Miss R at the time, where any concerns were expressed, that would lead me to conclude it ought to have paused the payment and asked her about it.
- Even if I were to conclude that the initial payment of £5,500 ought to have triggered Revolut's fraud detection systems and it should have probed further about the transaction (just to be clear, that isn't my finding here), it would still have been for Miss R – not Revolut – then to satisfy herself of the legitimacy of the investment. Based on the evidence available to me, I'm persuaded, on balance, that Miss R would still have gone ahead with the payment even if Revolut had intervened. I say this because:
 - Miss R had already researched the investment before going ahead.
 - There were no regulator warnings registered about either W or C.
 - Her account manager was contactable, so had Miss R gone back to them to raise questions, it is likely she would have been given a persuasive and satisfactory response (as had already happened once, when she was persuaded to open an account with another firm).
- I've also thought about whether Revolut could have done more to recover the funds after it became aware of the situation, as in some circumstances the money can be recovered. Miss R made payments to a legitimate cryptocurrency exchange before

the funds were subsequently transferred on to the alleged scammer. She wouldn't be able to make a successful chargeback claim in the circumstances because the firm she paid had provided the services as intended (i.e., purchase of cryptocurrency). So, I don't think Revolut was under any obligation to raise a chargeback dispute for Miss R.

In summary, I recognise that this will come as a considerable disappointment to Miss R. Not least because the matter has been ongoing for some time. I fully acknowledge that there's a lot of money involved here. But having considered the matter very carefully, for the reasons given, it wouldn't be fair of me to hold Revolut responsible for her loss.

My final decision

For the reasons given, my final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss R to accept or reject my decision before 24 March 2023.

Gagandeep Singh
Ombudsman