

The complaint and what happened

Mr E complains Revolut Ltd won't reimburse just over £42,000 that he lost when he fell victim to an investment scam. This happened in 2022, when Mr E was persuaded to use crypto currency to train how to trade, using his existing crypto currency account.

Our investigator didn't uphold the complaint as Revolut had declined Mr E's initial payments as it thought there was a fraud risk, but Mr E wasn't honest when answering the questions it posed. Although the investigator felt Revolut could have provided a more detailed scam warning, she ultimately concluded it couldn't have prevented the losses.

Mr E's representative disagrees. Although it accepts Mr E didn't answer questions honestly, it says the account use of online purchases wasn't what Mr E was doing with the money, which Revolut ought to have known and done something about.

Mr E's representative also asked for a copy of the chat history between Mr E and Revolut to ensure it was Mr E that had replied during that time and not the scammer. This was sent several months ago. As we haven't had any submissions to the contrary, I will proceed on the basis that it was Mr E discussing his account with Revolut at the time it paused his initial payments.

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.

Although I have only summarised the background and arguments above, I have read and considered what's been provided. Having done so, I broadly agree with the outcome reached by the investigator, and I won't be upholding the complaint for the following reasons:

- There doesn't appear to be any dispute that Mr E has been scammed. Although primarily from a later date, there are numerous articles online which mention this trading broker as being a scam. The pattern of what happened and what Mr E was told, both in relation to the pressure to invest and paying tax to receive any 'profits', are hallmarks of a trading scam.
- There is also no dispute that Mr E authorised the payments in questions. He made them using his payment details and were authorised using his security credentials. Whilst he didn't intend to get scammed, he is presumed liable for the loss in the first instance.
- In accordance with good industry practice, we'd expect Revolut to fairly and reasonably be monitoring accounts to counter various risks and identify unusual transactions and other indicators its customers were at risk of fraud, and in some situations, make additional checks before processing payments. Indeed, that is action Revolut actually took with Mr E and the transactions he was making.
- The question is, did those checks go far enough, and if not, if Revolut had taken additional steps would that have prevented some or all of Mr E's losses?
- Mr E already had an existing crypto account which he was persuaded to use by the scammer to facilitate training for trading using crypto currency. He was advised to

open an account with Revolut as he was told by the scammer that normal banks didn't like customers making investments. And to facilitate training and trading, the scammer advised Mr E to download screen sharing software.

- Mr E attempted to make an initial payment to his crypto currency account of £750. This was attempted and declined several times, with Revolut asking Mr E to contact it through its online chat function.
- Mr E was asked if he'd recently downloaded any screen sharing applications, to which he said he had, for work. He was also asked what the nature of the account was, what the purpose of it was and whether someone had asked him to use one of the screen-sharing applications to create the account. Mr E confirmed he was making online purchases and that nobody had asked him.
- Mr E's responses weren't a true reflection of what he was doing, which his representative acknowledges. Because of the way he answered, Revolut was reassured about the transaction he was attempting to make – that is, it was reassured Mr E was purchasing crypto currency of his own volition without anyone else's involvement, which can be a scam indicator.
- Had Mr E answered honestly, Revolut would likely have recognised the hallmarks of well-known scam tactics and asked more questions and could have provided a more meaningful scam warning or education. But Mr E didn't help Revolut to help him.
- Mr E's representative has argued that Revolut was told Mr E was making online purchases and so it should have recognised that wasn't true. I disagree. Mr E was buying crypto currency and he was doing that online, and so he was making online purchases. I'm also aware that when opening the account, Mr E selected that he was going to spend and save daily. As he was spending money he had transferred in, the operation of the account also matched the opening reason. I therefore don't find the representative's arguments persuasive.
- It's at least arguable that given the pattern of spending Revolut ought to have paused payments a month later, due to the number of transactions in one day (5) and the amount sent (over £30,000). However, I'm not persuaded that would have prevented any further losses. Mr E had already shown a willingness to be dishonest with any questions Revolut asked, and it's far from certain he would have had a change of heart about that just a month later. This is more so, given by this time, Mr E would have seen his trading account increase in value, and he wanted to make withdrawals. But even if I'm wrong about that, at most Revolut could have advised him to carry out due diligence of the trading opportunity to satisfy himself it was legitimate, such as checking the FCA website. However, these were the types of steps Mr E had already taken. In the circumstances, I'm not persuaded any further losses could have been prevented.
- I recognise Mr E has lost a lot of money and I do have sympathy for the situation in which he finds himself. But as I'm not persuaded any further action from Revolut would have resulted in Mr E acting any differently, or uncovering the scam for himself, I don't find it should fairly reimburse any of his losses.

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 Mr E to accept or reject my decision before 30 November 2023.

Claire Hopkins
Ombudsman