

The complaint

Mr C complains that Revolut Ltd didn't do enough to protect him when he fell victim to an investment scam.

What happened

Mr C opened a Revolut account on 2 December 2022 at the suggestion of someone who he now knows was a scammer. He had accounts elsewhere at the time, including a number of accounts with a business who I'll refer to as "N" throughout the rest of this decision and an account with an electronic money institution who I'll refer to as "W" throughout the rest of this decision. He'd had accounts with N for over 30 years at the time and opened his account with W at the suggestion of someone who he now knows was a scammer.

Mr C says he came across an advert on a well-known social media platform for an investment opportunity involving cryptocurrency. He says he'd already invested in a similar investment opportunity and, at the time, believed that investment was going well. So, he expressed an interest in this second investment opportunity and began investing in August 2022. Both investment opportunities were, in fact, scams.

In December 2022 Mr C made two payments from his newly opened Revolut account to a well-known cryptocurrency provider totalling £4,000. He says Revolut didn't question him about these payments, even though they were payments to a new payee linked to cryptocurrency. Mr C says the people who he was talking to – people who he now knows were scammers – started pressurising him to make further payments after these two payments and that their tone changed. He says when their communication dwindled he realised he'd been scammed.

In March 2023 Mr C complained to Revolut, with the help of a representative, saying that it hadn't done enough to protect him when he'd fallen victim to an investment scam. He complained to N too that they hadn't done enough to protect him when he'd fallen victim to two separate investment scams.

Revolut looked into Mr C's complaint and said that it had attempted to chargeback both payments, but the chargebacks were unsuccessful. Revolut said that it didn't think it had done anything wrong, said that it wasn't going to uphold Mr C's complaint and said that it couldn't refund him. Mr C wasn't happy with Revolut's response, so he complained to us. He complained to us about N's response too.

One of our investigators looked into Mr C's complaint about Revolut not doing enough to protect him when he fell victim to an investment scam. They didn't think the payments Mr C had made were sufficiently large to be of concern to Revolut. And they agreed that Revolut wouldn't have been able to recover Mr C's money through the chargeback scheme as the service had been provided.

Mr C's representatives disagreed with our investigator's recommendations saying that sending funds from an electronic money institution to a cryptocurrency provider – particularly from a newly opened account – was a strong indication that fraud was occurring. So, they

said Revolut should have intervened. Mr C's complaint about Revolut was referred to an ombudsman for decision and so was his complaint about N.

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.

In this case I'm satisfied that Mr C made two card payments from his Revolut account to a well-known cryptocurrency provider – namely £2,999 on 2 December 2022 and £1,001 on 5 December 2022. In other words, that he made two payments totalling £4,000 linked to cryptocurrency within days of opening his account. In its response to us, Revolut has said that as Mr C made these payments shortly after opening his account it had no historical data to go on in order to determine whether or not the activity was normal. I don't agree with Revolut that the lack of historical data means it couldn't determine whether or not these payments were unusual or of concern. But I'm satisfied that the first payment didn't trigger Revolut's systems and in the circumstances I don't think that was unfair or unreasonable as I agree it wasn't quite large enough to be of concern. The second payment was lower and wasn't until three days later, so I also don't agree that it should have triggered on itself or in combination. Had the second payment been made shortly after the first, I agree that this might have triggered as the two in combination could fairly and reasonably have been of concern. But that's not what happened here.

Given what I've just said, I agree with our investigator that Revolut had no reason to intervene in this case and didn't, therefore, miss an opportunity to prevent loss to Mr C. I also agree that Revolut would not have been able to recover this money through the chargeback process. In short, I agree that this isn't a complaint we should uphold.

My final decision

My final decision is that I'm not upholding this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 29 August 2024.

Nicolas Atkinson
Ombudsman