

The complaint

Ms H complains that Revolut Ltd (“Revolut”) won’t refund over £150,000 she lost to an investment scam beginning in May 2022.

What happened

The details of this complaint are well known to both parties, so I won’t repeat everything again here. In brief summary, Ms H fell victim to an investment scam after she received an email from a scammer (“G”) advertising a cryptocurrency investment opportunity in May 2022. She registered her interest and received a call from G, where she was encouraged to invest and was assisted by the scammer via remote access software.

Over the space of four months, Ms H made numerous payments totalling over £150,000 from her Revolut account to her cryptocurrency wallets, where her funds were then transferred on to the scammer. She eventually realised she’d been scammed when G continued to ask her for money in order to withdraw her funds.

Ms H reported the fraud to Revolut, but it said it wouldn’t refund the money she’d lost to the scam as she’d authorised the payments. Unhappy with this, Ms H referred the matter to this service.

Our investigator didn’t uphold the complaint. She thought that Revolut ought reasonably to have made further enquiries and provided a tailored scam warning in light of the unusual payment activity. But she didn’t think this would’ve ultimately prevented the scam. This was because the scammer had coached Ms H to lie if she was questioned about the payments, which she did when she was questioned by another of her banks when making payments to her Revolut account. So, the investigator didn’t think Revolut could fairly be held liable given it’s likely Ms H would’ve also been dishonest if it had asked questions about the payments.

Ms H disagreed, so the matter has been escalated to me to determine.

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 agree with the conclusions reached by the investigator for the following reasons:

- It isn’t in dispute that Ms H authorised the disputed payments she made to her Binance wallet from her Revolut account and debit card (where her funds were subsequently transferred on to the scammers from her crypto wallet). The payments were requested using her legitimate security credentials provided by Revolut, and the starting position is that firms ought to follow the instructions given by their customers in order for legitimate payments to be made as instructed.
- However, I’ve considered whether Revolut should have done more to prevent Ms H from

falling victim to the scam, as there are some situations in which a firm should reasonably have had a closer look at the circumstances surrounding a particular transfer. For example, if it was particularly out of character.

- Having reviewed the first couple of payments made by Ms H, I don't think these were enough in themselves to have warranted Revolut making further enquiries, as I don't think they would've reasonably indicated a heightened risk of financial harm. However, she then went on to make two large payments on 15 June 2022 totaling over £13,000 to the same payee. Successive payments of large amounts can often be indicative of fraudulent activity, so I think Revolut ought to have made further enquiries at this point and provided Ms H with a tailored scam warning. However, even if Revolut *had* intervened at this point and asked further questions about the nature of the payments Ms H was making, I'm not persuaded it would have likely prevented her loss in any event.
- Ms H has said that the scammer was overseeing the payments using Anydesk, including the transfers she made from her other bank account to Revolut. She said that her other bank would often stop the transfers and ask her to call them, where she was told what to say by the scammer. Ms H has said that she was told not to mention cryptocurrency, and was provided clear instructions on how to answer the bank's questions so as not to delay the investment. Therefore, while I think Revolut ought to have made further enquiries in these circumstances, I think it's more likely than not that Ms H would've continued to follow the scammer's instructions providing untruthful answers to any questions she might have been asked. Indeed, I can see that when Ms H was asked by Revolut to select a reason for the payment, she selected "Goods and services" rather than "Investment", which would've prevented Revolut from being able to provide a tailored scam warning in any event.
- So, overall, even if Revolut *could* have made further enquiries and given a scam warning, I'm not persuaded this would have likely revealed that Ms H was falling for a scam or ultimately prevented her loss. Therefore, I don't think its failure to look more closely into the payments can be considered the proximate cause of Ms H's loss in these circumstances, as it seems likely she would have continued to provide false information in order to make the payments. As such, I don't consider it would be fair and reasonable to hold Revolut liable for failing to prevent the scam.
- Ms H has also said she was vulnerable at the time of the scam and had even been hospitalised. I'm sorry to hear about the difficult time Ms H has been going through, but I can't see that Revolut had either been made aware or ought reasonably to have been aware of any vulnerabilities that would mean they shouldn't have allowed any of the transactions to be made.
- I also don't think there was anything more Revolut could've done to recover the money Ms H lost. In terms of the debit card payments, a chargeback claim would've had little prospect of succeeding given Ms H received the asset she had purchased (i.e. the cryptocurrency). Similarly, for the faster payments, there would've been no prospect of recovering the money from the receiving accounts either, given we know these accounts were controlled by Ms H, who had already transferred the cryptocurrency on to the scammer by the time the fraud had been reported.

I appreciate this will likely come as a disappointment to Ms H, and I'm sorry to hear she has been the victim of a cruel scam. However, I'm not persuaded Revolut can fairly or reasonably be held liable for her loss in these circumstances.

My final decision

For the reasons given above, I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms H to accept or reject my decision before 26 March 2024.

Jack Ferris
Ombudsman