

The complaint

Mr W complains that Revolut Ltd (Revolut) is refusing to refund him the amount he lost as the result of a scam.

Mr W has previously been represented by a third party. To keep things simple, I will refer to Mr W throughout my decision.

What happened

The background of this complaint is well known to all parties, so I won't repeat what happened in detail.

In summary, in May 2022 Mr W received a message via WhatsApp from an individual (X) that appeared to have been sent to him in error. Mr W responded to the message stating that X had the wrong number. X apologised for the error but continued the conversation with Mr W.

Mr W and X spoke about their own lives and experiences and over time Mr W felt he was developing a romantic relationship with X. They had been through similar experiences and appeared to have things in common.

After building trust with Mr W, X explained she had been investing in cryptocurrency and was using the company "Zai F Global VIP" to invest. X appeared to have a vast amount of knowledge about the investment and consistently pushed Mr W to invest with her stating that given the market trends it would be a good time. As Mr W trusted X and wanted to please her he agreed.

Before making any payments Mr W tells us he did his own research and found that the investment company was a legitimate Japanese business. Mr W also checked online reviews but was unable to find anything negative that caused him concern.

Mr W was directed to a trading platform that appeared professional and legitimate where he was advised by X to setup an account. Mr W had to provide identification documents as he would expect from this type of account. Once the account had been opened Mr W could see his profile and trading history as well as his open trades which made the investment appear even more legitimate.

X told Mr W that she would be guiding him through the investments and making the same trades as him which comforted Mr W as he trusted X and had little previous experience of investing. Confident the investment was legitimate Mr W started to make payments as directed by X from an account he held at a bank elsewhere.

By September 2022 Mr W appeared to have made a substantial profit and attempted to make a withdrawal from the investment but was immediately told he would have to make further payments related to the withdrawal process.

Mr W made the payments as directed from both his account at another bank and his account

at Revolut that by this time had been setup as part of the investment process. But each time Mr W made a payment he was given another reason why he would have to make further payments to make a withdrawal.

Eventually Mr W ran out of funds and was unable to make further payments. The communication between Mr W and X ceased and it became clear Mr W had fallen victim to a scam.

Mr W made the following payments from his account with Revolut:

Date	Payee	Payment Method	Amount
3 October 2022	Banxa	Transfer	£4,444.00
4 October 2022	Banxa	Transfer	£4,396.00
4 October 2022	Binance	Transfer	£1,000.00
4 October 2022	Banxa	Transfer	£4,396.00
5 October 2022	Binance	Transfer	£15,000.00
5 October 2022	Banxa	Transfer	£4,383.00
6 October 2022	Banxa	Transfer	£4,404.00
6 October 2022	Skrill	WITHDRAWAL	15,000.00-
7 October 2022	Banxa	Transfer	£4,476.00
7 October 2022	Binance	Transfer	£3,000.00
10 October 2022	Binance	Transfer	£5,000.00
10 October 2022	Banxa	Transfer	£4,515.00
11 October 2022	Skrill	WITHDRAWAL	5,000.00-
11 October 2022	Banxa	Transfer	£4,534.00
11 October 2022	Binance	Transfer	£3,000.00
12 October 2022	Banxa	Transfer	£4,547.00
12 October 2022	Binance	Transfer	£2,502.00
14 October 2022	Banxa	Transfer	£4,422.00
17 October 2022	Binance	Transfer	£3,000.00
17 October 2022	Banxa	Transfer	£4,441.00
19 October 2022	Binance	Transfer	£3,000.00
19 October 2022	Banxa	Transfer	£4,445.00
20 October 2022	Binance	Transfer	£3,000.00
20 October 2022	Banxa	Transfer	£4,457.00
21 October 2022	Banxa	Transfer	£4,472.00
21 October 2022	Binance	Transfer	£1,800.00
27 October 2022	Banxa	Transfer	£991.00
2 November 2022	Binance	Transfer	£3,000.00
2 November 2022	Banxa	Transfer	£4,349.00
3 November 2022	Binance	Transfer	£3,000.00
3 November 2022	Banxa	Transfer	£4,407.00
4 November 2022	Binance	Transfer	£3,000.00
4 November 2022	Banxa	Transfer	£4,463.00
7 November 2022	Binance	Transfer	£3,000.00
7 November 2022	Banxa	Transfer	£4,423.00
8 November 2022	Binance	Transfer	£3,000.00
9 November 2022	Banxa	WITHDRAWAL	4,423.00-
9 November 2022	Binance	Transfer	£3,000.00
10 November 2022	Binance	Transfer	£3,000.00
11 November 2022	Binance	Transfer	£3,000.00
14 November 2022	Binance	Transfer	£3,000.00
15 November 2022	Binance	Transfer	£1,950.00

21 November 2022	Binance	Transfer	£3,000.00
22 November 2022	Binance	Transfer	£3,999.00
23 November 2022	Binance	Transfer	£4,225.00
23 November 2022	BCB Payments	Transfer	£500.00
24 November 2022	Binance	Transfer	£4,225.00
24 November 2022	BCB Payments	Transfer	£4,525.00
16 December 2022	BCB Payments	Transfer	£3,500.00

Our Investigator considered Mr W's complaint and didn't think it should be upheld. Mr W disagreed, so this complaint has been passed to me to decide.

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.

It has not been disputed that Mr W has fallen victim to a cruel scam. The evidence provided by both Mr W and Revolut sets out what happened. What is in dispute is whether Revolut should refund the money Mr W lost due to the scam.

Recovering the payments Mr W made

Mr W made payments into the scam via the method of transfer. When payments are made in this way Revolut has limited options available to it. Revolut did contact the receiving payees, but it was confirmed that no funds remained.

With the above in mind, I am satisfied that Revolut had no reasonable options available to it to recover the payments made by Mr W.

Should Revolut have reasonably prevented the payments Mr W made?

It has been accepted that Mr W authorised the payments that were made from his account with Revolut, albeit on X's instruction. So, the starting point here is that Mr W is responsible.

However, banks and other Payment Services Providers (PSPs) do have a duty to protect against the risk of financial loss due to fraud and/or to undertake due diligence on large transactions to guard against money laundering.

The question here is whether Revolut should have been aware of the scam and stepped into question Mr W about the payments he was making. And if it had questioned Mr W, would it have been able to prevent the scam taking place.

From the evidence received from Revolut I can see that each time Mr W paid a new payee he was presented with a warning asking him if he knew and trusted the payee. It said that if Mr W wasn't sure then he should not pay them and that Revolut may not be able to help him get his money back.

When Mr W made the third payment into the scam (the first to Binance) he was presented with a different warning stating the payment could be a scam and carried a higher risk score than 99.2% of payments made by Revolut customers. Mr W clicked the option to "continue anyway".

Mr W was then presented with two further pages warning about different types of scams before he was asked the purpose of the payment. The answer to this question was not recorded by Revolut's systems but I think it would be reasonable to assume Mr W clicked

the option of “investment”.

Each time Mr W was presented with a warning by Revolut he continued to make the payment.

The first four payments made in relation to the scam were for a relatively low value to a legitimate business, but the fifth payment Mr W made was for a higher value of £15,000. As this payment was for a much higher value, I think it should have triggered Revolut’s fraud prevention systems prompting it to step in.

Had Revolut stepped in as I think it should have, I would have expected it to at the very least given Mr W a tailored warning covering the risk of scams, and possibly have gone a step further to have a conversation with Mr W about the payments themselves. But I don’t think Revolut stepping in at this time or any other time would have made a difference.

The funds Mr W sent from his Revolut account originated from another account he held at another bank. That bank did intervene several times when Mr W made payments in relation to the scam.

When Mr W was asked about the payments he was making, he confirmed that he had not received any instructions from anyone to make payments, he had not taken any advice in relation to the investment, and that no one had told him how to answer questions he might be asked when making the payments. None of this information was correct.

Mr W also reported the scam to his other bank on the 18 November 2022. During this call he was very clear that he thought he had been scammed and was seeking recovery of the funds he had sent. Yet Mr W continued to make payments to the value of almost £25,000 from his Revolut account after this call took place.

Mr W tells us he continued to make these payments as X was able to convince him the investment was legitimate. It’s clear that Mr W was heavily under the influence of X throughout the scam and X was able to convince Mr W to make payments even when he had already gone as far as to report the scam.

With the above in mind, I think it’s highly unlikely Mr W would have been any more truthful with Revolut had it intervened when he was making payments, so it would not have been able to prevent the scam. Revolut is therefore not responsible for Mr W’s loss.

My final decision

I don’t uphold this complaint

Under the rules of the Financial Ombudsman Service, I’m required to ask Mr W to accept or reject my decision before 19 April 2024.

Terry Woodham
Ombudsman