

The complaint

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

Mr S is being represented by a third party. To keep things simple, I will refer to Mr S 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, Mr S found an advertisement on social media about an investment opportunity. Interested in the advert Mr S completed an online data capture form with his details.

Mr S then received a call from Omers Financial Trust (X). X came across very professional and persuasive. After carrying out some online research Mr S decided to make an investment.

X helped Mr S setup an account via the remote access software AnyDesk and Mr S was able to see his profits on an online portal which he says made him feel the investment was genuine.

After making several payments into the investment Mr S was asked to make further payments in relation to tax so that the profit could be released. But when Mr S made the payments in relation to tax X stopped communicating with him and it was clear he had fallen victim to a scam.

Mr S made the following payments in relation to the scam from his Revolut account:

Date	Payee	Payment Method	Amount
5 April 2023	Sp Identical Ukeu	Debit Card	£218.99
5 April 2023	easycrypto4u.com	Debit Card	£219.04
14 April 2023	CoinPay sp.zo.o.	Transfer	£7,650.00
28 April 2023	SatoshiDeals UAB	Transfer	£16,500.00
1 May 2023	SatoshiDeals UAB	Transfer	£8,000.00
1 May 2023	SatoshiDeals UAB	Transfer	£9,000.00
1 May 2023	CoinPay sp.zo.o.	Transfer	£11,000.00
2 May 2023	CoinPay sp.zo.o.	Transfer	£8,000.00
2 May 2023	CoinPay sp.zo.o.	Transfer	£4,000.00
2 May 2023	CoinPay sp.zo.o.	Transfer	£3,000.00
3 May 2023	CoinPay sp.zo.o.	Transfer	£11,000.00

Our Investigator considered Mr S's complaint but didn't think it should be upheld. Mr S 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 S has fallen victim to a cruel scam. The evidence provided by both Mr S and Revolut sets out what happened. What is in dispute is whether Revolut should refund the money Mr S lost due to the scam.

Recovering the payments Mr S made

Mr S made payments into the scam via his debit card and via transfer. When payments are made by card the only recovery option Revolut has is to request a chargeback.

The chargeback process is in place to refund customers when they pay for goods or services on their card that are not received. In this case Mr S knowingly purchased cryptocurrency and this was provided to him. Therefore, the chargeback option would not have been available to him as his dispute is with X, not the cryptocurrency exchanges – so any chargeback attempt against the cryptocurrency exchanges would likely fail.

For the payments made by transfer Revolut had limited recovery options available. Revolut could contact the receiving payee to see if any funds remain. But Mr S has explained he bought cryptocurrency and sent this to the scammer so I think it's unlikely funds would remain, and I don't think it's unreasonable that Revolut didn't explore this option.

With the above in mind, I don't think Revolut had any reasonable options available to it to recover the payments Mr S made in relation to the scam.

Should Revolut have reasonably prevented the payments Mr S made?

It has been accepted that Mr S authorised the payments that were made from his account with Revolut, albeit on X's instruction. So, the starting point here is that Mr S 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 S about the payments he was making. And if it had questioned Mr S, would it have been able to prevent the scam taking place.

The first two payments Mr S made in relation to the scam were for relatively low values that I wouldn't have expected to trigger Revolut's fraud prevention systems prompting it to intervene.

The third payment Mr S made in relation to the scam and the payments that followed were much higher in value and were being made in relation to crypto. Considering Revolut's knowledge of cryptocurrency scams by the time these payments were made I think it would be reasonable for Revolut to have intervened and warned Mr S about a potential scam.

Although Revolut did not intervene when it should have when Mr S made the third payment into the scam it did intervene several times and an online chat took place between Mr S and Revolut.

On 1 May 2023 several chat conversations took place. Mr S stated:

"Thank you for all the details & I know what I'm doing with my funds & once again no one is guiding me through any steps."

"Please let me proceed with my transaction as I'm doing it by Myself"

Mr S has confirmed that he gave the reason for his payments as being for "goods and services" when he made them yet when Revolut asked:

"I can see that you have advised that this transfer is for goods and services. If you have been told to select this option but you are not making a purchase stop, this is a scam. Have you been asked to ignore scam warnings during making the payment?"

Mr S said:

"No"

Mr S had been told to select this option and was investing with X which was the main reason for his payment.

Revolut also asked:

"Thanks for confirming. Please can you tell me some more information about the goods or services you are purchasing and any information on the seller"

Mr S was unwilling to share any more information and simply stated:

"This is personal needs & that is what I can tell provide you as information"

Mr S has told us that he was not told by X what to say to Revolut, and that Revolut should have asked further questions, and intervened sooner than it did. But while it was possible for Revolut to ask further questions I think it's clear from the responses Mr S gave to Revolut and the reason he gave for the payments, that he was giving misleading information to Revolut about the payments he was making and was not being forthcoming about X requesting the payments.

I think it's unlikely Mr S would have given more honest answers had Revolut stepped in sooner or asked more questions. So, I don't think Revolut missed an opportunity to prevent the scam and it is not responsible for Mr S'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 S to accept or reject my decision before 25 April 2024.

Terry Woodham
Ombudsman