

The complaint

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

Mr R is being represented by a third party. To keep things simple, I will refer to Mr R 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 R found an advertisement on Facebook for an investment company specialising in cryptocurrency called Markettrends (X). The advertisement appeared legitimate and interested in the investment opportunity Mr R completed an online data caption form with his personal information. Mr R also provided identification documents.

X contacted Mr R, it explained the investment opportunity and helped guide him through the process of setting up an account on a trading platform via the screen sharing application AnyDesk.

Mr R was required to setup an account with Revolut as part of the investment and convert funds into cryptocurrency for it to be invested. Mr R converted his funds through cryptocurrency exchanges and was able to see his investments on the trading platforms.

X told Mr R that the more he invested, the more profit he would make. As X appeared professional and trustworthy Mr R continued to make further payments into the scam. However, when Mr R attempted to make a withdrawal from the investment X requested further payments first.

Mr R told us he started to question X and at this point it stopped communicating with him and he realised he had fallen victim to a scam.

The following are payments that were made from Mr R's Revolut account in relation to the scam:

Date	Payee	Payment Method	Amount
22 November 2022	Coindeck.com	Transfer	£10,000.00
26 November 2022	Coindeck.com	Transfer	£20,000.00
26 November 2022	Coindeck.com	Transfer	£19,900.00
11 January 2023	Coindeck.com	Transfer	£10,000.00
11 January 2023	Coindeck.com	Transfer	£20,000.00
12 January 2023	Coindeck.com	Transfer	£20,000.00
18 January 2023	Moonpay	Transfer	£4,250.00
21 January 2023	Coindeck.com	Transfer	£10,500.00
21 January 2023	Crypto.com	Transfer	£8,033.22
24 January 2023	Coindeck.com	Transfer	£9,990.03

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

Recovering the payments Mr R made

Mr R made payments into the scam via the method of transfer. When payments are made by transfer the only option available to Revolut to seek recovery is to ask the receiving party to return any funds that remain in the accounts the payments were sent to.

In this case Mr R was sending funds from his Revolut account into an account in his own name at different cryptocurrency exchanges before forwarding them to X. So, any funds that may remain with the cryptocurrency exchanges would remain in Mr R's control.

With the above in mind, I don't think Revolut had any recovery options available to it for the payments Mr R made.

Should Revolut have reasonably prevented the payments Mr R made?

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

The payments Mr R made from his account in relation to the scam were significant in value and I think they should have triggered Revolut's fraud prevention systems prompting it to step in and question Mr R about them. But even if Revolut had stepped in, I don't think it would have been able to uncover a scam was taking place or prevent Mr R's loss.

Mr R sent funds to his Revolut account from another account in his name at another bank to fund the payments he made in relation to the scam. Mr R's other bank stepped in on two separate occasions when Mr R was making payments and conversations between Mr R and the bank took place.

I have listened to recordings of both calls. During these calls Mr R confirmed the reason he was making the payments was because he was travelling to Europe and would be using the money in the account on his travels. Mr R also confirmed he hadn't been asked to make the payments by anyone else, he hadn't received any requests from anyone met on social media for payments, he hadn't downloaded any screensharing applications and he hadn't been coached by anyone on what to say to the bank if it questioned him about the

payments.

The answers Mr R gave were incorrect and Mr R has confirmed he was coached by X on what to say to the bank. I think it's clear from the calls that Mr R trusted X and was willing to give dishonest answers so the payments could be processed. I think it's unlikely Mr R would have been any more honest if he had been questioned by Revolut about the payments he made in relation to the scam from his Revolut account, and it's unlikely Revolut would have been able to uncover the scam.

So, although I do think Revolut should have done more I don't think it missed an opportunity to prevent the scam and it's not responsible for Mr R'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 R to accept or reject my decision before 11 March 2024.

Terry Woodham
Ombudsman