

## The complaint

Mr W complains that Revolut Ltd (Revolut) won't refund the money he lost as a result of an investment scam. He's being supported by a representative. To keep things simple, I'll refer to Mr W throughout this decision.

## What happened

The background to this complaint is known to both parties, so I won't repeat all the details here. In summary, Mr W says:

- In December 2021, he came across a broker called 'Lexington Plus' (the scammer), on a social media advert, promoting the use of automated crypto-currency trading software. He filled in an online form and received a call from someone claiming to be their representative, saying he'd be assigned an account manager to trade on his behalf.
- A small initial payment of \$500 was sent from an account he held with a foreign bank ('Bank A') to his Binance account and on to the scammer – and when he saw that his investment had grown, he began 'investing' more heavily, sending significantly larger payments from Bank A until he saw his balance had fallen in value in around June 2022.
- At that point he wanted to be out of the investment and asked for his money back, but the scammer told him he needed to pay 'liquidation fees' to withdraw funds. A new account was opened with Revolut on 30 June 2022 for the purpose of paying these 'liquidation fees' and three card payments were subsequently sent from that account. He realised he'd been scammed when he was still unable to withdraw any money.

I've listed below the payments I've considered as part of this complaint:

	Date	Payee	Amount	Method
1	30-Jun-22	Binance	£20	Card payment
2	04-Jul-22	Binance	£5,000	Card payment
3	04-Jul-22	Binance	£5,000	Card payment

The scam was reported to Revolut in August 2022. A chargeback claim was raised but not taken forward by Revolut on the basis that it wouldn't have succeeded. A complaint was also raised and later referred to the Financial Ombudsman.

Our Investigator considered it but didn't uphold it. In summary, she ultimately concluded that the activity was unusual enough for Revolut to have given Mr W a tailored written warning on payment 3. But, on the evidence, she wasn't persuaded such a warning would have stopped him from making that payment and prevented his losses.

As Mr W disagreed, the case was 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.

Having done so, I've decided not to uphold it for the reasons I've set out below.

### *Authorisation*

It's not in dispute Mr W was scammed and I'm sorry about the impact the whole experience has had on him. It's also not in dispute that he authorised the payments from his Revolut account. So, although he didn't intend the money to go to the scammer, under the Payment Services Regulations 2017, Mr W is presumed liable for his losses in the first instance.

### *Prevention*

There are, however, some situations where I consider that a business, taking into account relevant rules, codes and best practice, should reasonably have taken a closer look at the circumstances of a payment – if, for example, it's particularly suspicious or out of character.

In this case, there's an argument for saying payment 3 should have triggered Revolut's fraud prevention systems given it was the second payment of significant value, to the same payee, in quick succession, and for the purchase of cryptocurrency which I understand was out of line with the stated account opening purpose of '*foreign exchange*' and '*overseas transfers*'. And given the value of the payment and the information Revolut had available at that point, I consider a proportionate intervention should have come in the form of a tailored written warning, setting out the common hallmarks associated with crypto-currency scams.

### *Causation*

That said, even accepting Revolut ought to have fairly and reasonably provided a tailored written warning on payment 3, I also need to assess if such an intervention would have likely made a difference – and, on the evidence, I'm not persuaded it would have.

I say this partly because by the time Mr W made his payments from his Revolut account, the scam had been ongoing for several months (since December 2021). Mr W was aware the 'company' was based offshore and, as is common with this type of fraud, he'd already built up a relationship with someone he believed to be a genuine and professional broker. I also can't overlook he initially told us he felt he had no option but to make the payments; that he'd become "*very desperate*" to get his money back; and that the scammer had been monitoring him (via Anydesk) making his payments and pressuring him over the phone to make them.

I'm not convinced a written warning would necessarily have stopped Mr W from going ahead at that time and under those circumstances. It's important for me to add here that despite my attempts to clarify some of the evidence that's been submitted throughout this complaint, I've also not been provided with full and meaningful answers to all my questions. For example:

- Mr W has sent us some screenshots of the messages he exchanged with the scammer, not the full exported chat which he's now told us was deleted. But these are largely undated and don't cover the whole period of the scam. It's difficult to piece together the timing of events and the screenshots provide limited insight into what Mr W was asked to do by the scammer and the reasons why. I also note the chats were with two different numbers and Mr W hasn't told us what, if anything, he's done to retrieve either of them.
- In his initial submissions Mr W said: "*These were the 3 payments made between 1-5 July 2022...During this time your customer was instructed [by the scammer] to download Anydesk to monitor him making the payments and were also on the phone...putting pressure on him...*" In later emails, following our Investigator's outcome, Mr W said the scammer was only monitoring payments from Binance to scammer's crypto wallet (not from Revolut to Binance) as he only needed help with that side of the payment journey.

But this doesn't explain why 'Anydesk' was downloaded at that specific time when, according to Mr W, he'd been sending payments to the scammer since December 2021.

- In response to the question why the Revolut account was opened at that particular time, Mr W has said he believes he was told this would make the process of paying the liquidation fees easier. But this didn't answer the question why all subsequent payments (which he says were also for liquidation fees) were then sent only from Bank A, instead of Revolut, starting the very next day after the payments had left his Revolut account.
- It's not clear what explanations Mr W received which then led him to continue making significant payments from Bank A (again for liquidation fees) even though he'd not been able to withdraw any money after making the payments from his Revolut account.

In my view, all of this is relevant when thinking about causation and whether a written scam warning would have likely prevented him from making any further payments. And it's also not entirely clear from what I've seen if the problems Mr W faced with withdrawing funds only started at the time of the disputed transactions. I understand, for example, Mr W decided to withdraw funds after he'd seen his balance had again fallen in "*roughly June 2022*", but some of the messages suggest the first withdrawal fee may have been for £5,000 (not the £10,000 paid from Revolut), and \$8,860 was in fact paid from Bank A, on 29 June 2022, the day before the Revolut account was opened.

I'm sorry Mr W found our information requests distressing and I appreciate he finds having to recall details of the scam upsetting. I note he feels he has no more evidence to give and wants a decision to be made on the evidence available. But the lack of complete answers to our information requests hasn't helped me to understand more about what happened and, especially, the reasons why Mr W took the actions he did during the scam.

With all the above in mind, and on the evidence, I've not seen enough to persuade me that a written warning would have stopped Mr W from making the disputed transactions at that particular time. As a result, and despite accepting that Revolut failed to intervene on payment 3, I don't consider it would be fair and reasonable to hold it liable for his losses.

### *Recovery*

In general, a business should attempt to recover lost funds once a scam has been reported. In this case, however, the card payments were sent to a crypto exchange in Mr W's name before being sent to the scammer's crypto wallet. It's therefore unlikely Revolut would have been able to facilitate a recovery of that money through a recall or a chargeback claim as he'd received the service for which he paid.

### **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 Mr W to accept or reject my decision before 27 March 2024.

Thomas Cardia  
**Ombudsman**