

The complaint

Mr L complains Revolut Ltd didn't do enough to protect him when he fell victim to a cryptocurrency investment scam.

What happened

Mr L has an account with Revolut and an account with another business who I'll refer to as "N" throughout the rest of this decision.

In 2022 Mr L says he came across an advert on social media about an investment opportunity. He says he looked into it and it appeared to be genuine. He says he spoke to someone about the investment – and how it and the associated trading platform worked – and started to invest. He made three payments totalling £9,000 between 9 and 15 August 2022. He took out loans. He says he decided to make a withdrawal the following month – having seen his "profits" had grown considerably – and was told he'd have to pay further fees in order to do so. He had, in fact, been speaking to scammers. He contacted Revolut.

Revolut looked into Mr L's case and said that it wouldn't be able to chargeback the payments or refund him. Mr L wasn't happy with Revolut's response and ultimately complained to our service.

One of our investigators looked into this complaint and said that the first two payments Mr L had made wouldn't have been sufficiently to warrant intervention by Revolut. However, Mr L said that the purpose of the third payment was a "safe account transfer" and our investigator thought that Revolut should have blocked the payment until it had spoken to Mr L as it knew the payment was going to a cryptocurrency merchant. His account had also been inactive for a long period of time. Our investigator said that had Revolut done this, the scam would likely have come to light and further losses would have been prevented. However, also investigator also thought Mr L should share some responsibility. So, they recommended that Revolut refund 50% of the payments from the third payment onwards plus 8% simple per annum interest.

Mr L accepted our investigator's recommendations. Revolut didn't. Ultimately Revolut asked for Mr L's complaint to be referred to an ombudsman for a decision. His complaint was, as a result, passed to me.

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 reviewed this file, I asked our investigator to get further information including evidence of what N had said when Mr L had transferred money to his account with Revolut in order to invest. N confirmed that it had intervened and that when Mr L was asked about the purpose of the payment he said he was going to be travelling abroad. In other words, he wasn't truthful with N. I asked the investigator to share this information with Revolut and explain why I didn't think this made a difference – as he wouldn't have been able to say the same thing to Revolut as it would know the payments he was making were going to cryptocurrency – and that I also agreed with the outcome in this case.

Our investigator asked Revolut – in light of this additional information – whether or not it would be prepared to agree with their recommendation. Revolut didn't respond.

In this case, I agree that Revolut should have blocked Mr L's third payment until it had spoken to him given that he'd said the purpose of the payment was a "transfer to a safe account". Had it done so, I'm satisfied that Revolut would have uncovered the fact that Mr L was falling victim to a cryptocurrency investment scam. In other words, I'm satisfied that Revolut missed an opportunity to prevent further loss. I also agree – and Mr L has accepted – that liability should be shared.

Putting things right

Given everything I've just said, I agree that Revolut should refund 50% of the payments from the third payment onwards plus 8% simple per annum interest.

My final decision

My final decision is that I'm upholding this complaint and am requiring Revolut Ltd to refund 50% of the payments Mr L made from the third payment onwards. In addition, I require Revolut Ltd to pay 8% simple per annum interest on the refunds from the date of payment to the date of settlement.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 2 January 2025.

Nicolas Atkinson
Ombudsman