

The complaint

Mr W complains that Revolut Ltd (“Revolut”) won’t refund over £49,000 he lost to an investment scam in March 2023.

The details of this complaint are well known to both parties, so I won’t repeat everything again here. Instead, I will focus on giving the reasons for my decision.

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 agree with the conclusions reached by the investigator for the following reasons:

- It isn’t in dispute that Mr W authorised the disputed payments he made to his crypto wallets from his Revolut account (where his funds were subsequently transferred on to the scammer). The debit card payments were requested using his legitimate security credentials provided by Revolut, and the starting position is that firms ought to follow the instructions given by their customers in order for legitimate payments to be made as instructed.
- However, I’ve considered whether Revolut should have done more to prevent Mr W from falling victim to the scam, as there are some situations in which a firm should reasonably have had a closer look at the circumstances surrounding a particular transfer. For example, if it was particularly suspicious or out of character.
- It’s accepted that some of the payments Mr W made as part of the scam were considered unusual or suspicious given that they did trigger Revolut’s fraud prevention systems and were automatically blocked pending further enquiry – such as the payment he attempted on 16 March 2023. I accept that Revolut ought reasonably to have intervened prior to this, however, given Mr W had made a large payment of £4,000 on 10 March that Revolut would’ve seen was going to a known cryptocurrency platform. And given the increase in cryptocurrency scams, which Revolut would’ve been aware of by this point, I think it should have made further enquiries sooner, and at least provided Mr W with a scam warning covering off the key features of cryptocurrency investment scams. However, even if it had done so, I’m not persuaded it would have ultimately prevented the scam or any further loss. I’ll explain why.
- When Revolut spoke to Mr W on 16 March 2023, it asked him whether he had been contacted by anyone telling him to create a Revolut account, or to download Anydesk. Mr W said that he didn’t know what Anydesk was, and that he hadn’t been told to open the account by anyone. However, this wasn’t true as Mr W has said that the scammer advised him to open his Revolut account to make the payments, and that they also told him to download Anydesk. Revolut also asked Mr W if he had been promised guaranteed returns and had conducted any research. He again said

that he hadn't been contacted by anyone and that he was running the transfers all by himself. Mr W assured Revolut that he knew what he was doing, and that he had been doing this for years.

- So, it's clear Mr W was not providing upfront and honest answers in response to Revolut's questions. As a result, I'm not persuaded any earlier intervention, further questioning, or specific cryptocurrency investment scam warning Revolut could've provided would have likely revealed the scam, as I don't believe Mr W would have been upfront about what he was doing. I understand that Mr W later told Revolut that he was attempting to borrow funds to release money from "escrow". But based on what he'd already said about the investment, I don't think this was enough to put Revolut on notice that he was likely being scammed, particularly as he had given the impression that he was an experienced investor. I can also see that in response to this, Revolut opened a further chat with Mr W with its card payment team to discuss the payment further. He didn't respond to its questions, however, and continued demanding that Revolut release his payments.
- I accept that Mr W may have been coached by the scammer to lie if he was questioned about the payments, which can be fairly common in these sorts of investment scams. But it was based upon the answers he gave that Revolut was satisfied the payments weren't likely being made as part of a scam. As a result, and based on what Mr W had previously told Revolut about the payments, I don't think it acted unreasonably by allowing his payments to proceed.
- I also don't think there was anything more Revolut could've done to recover the money Mr W lost. A chargeback claim would've had little prospect of succeeding, for example, given Mr W received the asset he had purchased (i.e. the cryptocurrency). So, I don't consider Revolut acted unreasonably by failing to pursue a chargeback claim.

I appreciate this will likely come as a disappointment to Mr W, and I'm sorry to hear he has been the victim of a cruel scam. However, I'm not persuaded Revolut can fairly or reasonably be held liable for his loss in these circumstances.

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 7 May 2024.

Jack Ferris
Ombudsman