

The complaint

Ms H has complained that Revolut Ltd. (“Revolut”) failed to protect her from becoming the victim of an investment-related scam.

What happened

The background of this complaint is already known to both parties, so I won’t repeat all of it here. But I’ll summarise the key points and then focus on explaining the reason for my decision.

Ms H has used a professional representative to refer her complaint to this service. For the purposes of my decision, I’ll refer directly to Ms H, but I’d like to reassure Ms H and her representative that I’ve considered everything both parties have said.

Ms H has raised two separate complaints about Revolut related to scams. As set out by investigator, we’ve considered the two complaints separately, so in this decision I’ll only focus on the relevant facts of this complaint.

Between February 2022 and April 2023 Ms H sent 47 payments to a cryptocurrency platform which I’ll refer to as “C” with a total value of £39,232. Ms H complains that these payments were sent as part of an investment scam which she was introduced to after speaking to someone whilst on holiday. She says that Revolut didn’t do enough to protect her from this scam.

Ms H says that she was introduced to the individual (“the scammer”) and she was in touch with them regularly to facilitate the investment she was allegedly making. They kept in touch using several popular messaging apps and Ms H says she was added to a group chat with other investors. She says that she did some research online and didn’t find any bad reviews or negative information about the opportunity she’d been presented.

In order to fund the alleged investments Ms H was required to send payments to a cryptocurrency platform, where she converted the funds to cryptocurrency and forwarded them to the scammer, which she believed to be funding her investment. She was given access to a platform which appeared to show the performance of her investments. She says she was able to withdraw her profits several times, which persuaded her that the investment was genuine and encouraged her to continue investing.

Ms H says she realised she’d been the victim of a scam when the scammer stopped communicating with her and she was also unable to contact anyone using the investment platform she’d been using.

Ms H made a complaint to Revolut. She said that Revolut should’ve asked for the purpose of the payments and intervened, at which point she’d have told it she was investing. She says that had Revolut looked into the name of the company Ms H was allegedly investing in, it’d have discovered it was a clone of a legitimate firm and was present on the Financial Conduct Authority’s Warning List. In its response Revolut said it had requested information from Ms H

whilst looking into her complaint but it hadn't received it, so it couldn't issue a response. Ms H then referred the complaint to this service.

Our investigator considered everything and didn't think the complaint should be upheld. She explained that she didn't think Revolut should've recognised Mr H was at risk of being scammed, so she didn't think it was responsible for the money Ms H had lost.

As Ms H didn't accept the investigator's opinion, the case has been passed to me to make a 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.

I'm sorry to disappoint Ms H but having considered everything I'm afraid I'm not upholding her complaint, broadly for the same reasons as our investigator, which I've set out below.

In broad terms, the starting position is that a firm is expected to process payments and withdrawals that its customer authorises, in accordance with the Payment Services Regulations and the terms and conditions of the customer's account. And in this case it's not in question whether Ms H authorised these payments from leaving her account. It's accepted by all parties that Ms H gave the instructions to Revolut and Revolut made the payments in line with those instructions, and in line with the terms and conditions of Ms H's account.

But that doesn't always mean that the business should follow every instruction without asking further questions or intervening to ensure requests coming from their customers are firstly genuine, and secondly won't result in harm.

Ms H opened her Revolut account in February 2022 and Revolut has provided evidence of what Ms H told it she'd be using the account for – which was foreign exchange, overseas transfers, transfers, and cryptocurrency.

Revolut says that Ms H was shown proportionate and appropriate scam warnings – so I've considered whether it did enough, and if I don't think it did, whether this would've made a difference in this case.

On the day that Ms H opened her Revolut account she made the first payment to C, for £2. Around six weeks later she made another payment to C for £20 and a week later she made a third payment to C, this time for £2,500.

I can see that when Ms H added C as a new payee Revolut showed Ms H a general warning, advising her to ensure she trusted the payee she was sending the payment to, and also warning her that it might not be able to get her funds back if they get into the wrong hands. She needed to acknowledge this warning before she was able to continue with the payment instruction.

By the time Ms H made the third payment to C, although it was a fair amount larger than the first two, I think it's reasonable that Revolut would've considered C a "known" payee. In addition, Ms H's account was new and hadn't been used for any other purpose than these payments, so Revolut didn't have any account history for Ms H to know whether it was out of character. But the fact that she'd sent the first two payments quite some time before the third one isn't a pattern that's entirely typical of a scam, so I don't think Revolut ought to have intervened at that point.

Thinking more broadly about all of the transactions to and from C, and I can also see 13 credits received from C, across the same time period.

Considering the rest of the payments, they are fairly spaced out across more than a year, and most are relatively low in value, with some larger transactions but none over £5,000. I do note that in November 2023 there were two single days where multiple transactions totalled more than £5,000 but given Ms H had been sending money to C for around nine months before this happened, and she'd also received 11 payments from it, I don't think Revolut ought to have been on notice that she might've been at risk of financial harm, even despite the larger values. Finally, the values of the payments Ms H sent to C fluctuated, as opposed to gradually increasing, and the extended time period of over a year, aren't what I'd typically expect to see in a scam.

Whilst I recognise Ms H made a lot of payments to C that she unfortunately lost as part of a scam, for the reasons I've explained, I don't hold Revolut accountable for that. Ms H was operating her Revolut account in line with one of the reasons she gave when she opened it, and the time period, payment values and pattern of the transactions aren't significant or typical of a scam, so I don't think Revolut ought to have intervened or that it missed an opportunity to identify the fraud.

I'm very sorry that Ms H has fallen victim to this scam and I do understand that my decision will be disappointing. But for the reasons I've set out above, I don't hold Revolut responsible for that.

My final decision

I do not uphold Ms H's complaint against Revolut Ltd.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms H to accept or reject my decision before 18 September 2024.

Sam Wade
Ombudsman