

The complaint

Mrs G complains through a representative that Revolut Ltd (“Revolut”) has failed to refund over £20,000 she lost to a scam.

What happened

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.

In summary, Mrs G saw an advert about investing with a company I’ll refer to as B. Mrs G then read this advert, she left her details and received a call and then messages from an advisor who persuaded Mrs G to invest.

Mrs G then sent over £20,000 via debit card payments and bank transfers to two crypto exchanges and a personal account. In relation to the payments to the crypto exchange the funds were then converted to crypto and then sent onto B.

When Mrs G was unable to withdraw her funds from B, she realised that she had been scammed. She therefore via her representative raised a complaint with Revolut and requested that she be refunded the transactions. Revolut declined to do this.

One of our investigators looked into this matter and she did not uphold this complaint. Mrs G did not agree with this outcome and therefore her complaint was passed to me to issue a final 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:

I am satisfied that Mrs G authorised the transactions she made from her Revolut account as part of the scam.

I am also satisfied that some of the payments were considered unusual given they were flagged to Revolut and prompted it to issue warnings/ask further questions through its in-app chat. So, I’ve therefore focused on the extent of Revolut’s intervention and whether it could’ve reasonably done anything more to prevent the scam.

Revolut intervened on 17 March 2023, where it asked Mrs G whether she had been asked to install any remote access software, had she received any calls telling her to create a Revolut account and the purpose of her opening the account in the first place. It also asked why she was making the transaction in question.

Mrs G said no to the first two questions. She confirmed that the account had been set up in order to make online purchases and that the purpose of the transaction itself was “*translation to a friend*” I assume that this was taken as transfer rather than translation. Mrs G was asked to provide a photo with her holding a sheet of paper with the date written on it. Mrs G supplied this photo. Therefore, I don’t think Revolut ought reasonably to have had further cause for concern. And even if it had probed further, it seems unlikely that Mrs G would’ve been upfront with what she was doing.

I also can see that Mrs G was given a warning about the dangers of crypto investing in relation to her answers. She responded, saying that she was doing this herself with nobody helping her. Further questions were asked about the purpose of Mrs G transactions and each time she confirmed that she was doing everything herself and it was her choice to proceed. I think given the nature of her answers Revolut should maybe have given a more detailed specific warning about crypto investing, but I don’t think that Mrs G would have stopped regardless of the warning she was given, as she was clearly under the influence of the scammer at this point.

So, I don’t think that any further intervention from Revolut would have uncovered or stopped the scam.

Therefore, even if I were to accept that Revolut ought to have done more, I don’t think its failure to probe further could reasonably be considered as the cause of Mrs G’s loss in these circumstances, as it seems likely she would have given misleading information and proceeded to make the transactions irrespective of any intervention.

I’ve also thought about whether Revolut did enough to try and recover the funds after the fraud was reported. However, there wouldn’t have been any successful prospect of a chargeback for the debit card payments Mrs G made to the crypto provider, as she would’ve received the services she paid for. I can see that Revolut did attempt to recover the funds from the personal account the funds were sent to, but it was unable to recover any of the funds. So I don’t think the funds could have been recovered.

I appreciate this will likely come as a disappointment to Mrs G, and I’m sorry to hear she has been the victim of a cruel scam. However, I’m not persuaded that Revolut can fairly or reasonably be held liable for her 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 Mrs G to accept or reject my decision before 17 April 2024.

Charlie Newton
Ombudsman