

The complaint

Mr I complains that Revolut Ltd ('Revolut') won't refund the money he lost after falling victim to a scam.

What happened

In July 2023, Mr I met someone on a dating app, who I'll refer to as M.

M said they were an online trader of cryptocurrency and gave investment and financial advice to others. Mr I says the dating app was for those looking for a committed relationship, and he believed M was genuine.

After talking for a few days, M suggested she could help Mr I make money through cryptocurrency trading, to help fund their life together.

Mr I started by making a small investment of £200. The initial trades went well and after making a reasonable return, he was able to make a small withdrawal to his cryptocurrency wallet. Satisfied with what he saw, he decided to invest further.

M told Mr I that he could make returns of 35% if he invested 20,000 USDT, so he increased his trading account balance. Later he was told he could make returns of 215% if he invested 100,000 USDT.

These are the payments Mr I made from his Revolut account. The first payment was an internal purchase of cryptocurrency. Each of the subsequent payments were peer-to-peer cryptocurrency purchases, which included a fee.

Date	Pmt No	Details of transaction	Amount
21.7.2023	1	Purchase of cryptocurrency – internal transaction	£200.00
23.7.2023	2	Card payment to X – an individual	£118.84
23.7.2023	3	Card payment to X – an individual	£8.36
25.7.2023	4	Card payment to P – an individual	£3,042.30
25.7.2023	5	Card payment to P – an individual	£3,021.00
25.7.2023	6	Card payment to P – an individual	£3,021.00
25.7.2023	7	Card payment to P – an individual	£3,021.00
25.7.2023	8	Card payment to X – an individual	£3,912.98
25.7.2023	9	Card payment to P – an individual	£493.43
25.7.2023	10	Card payment to X – an individual	£3,580.50
27.7.2023	11	Card payment to X – an individual	£1,534.50
27.7.2023	12	Card payment to X – an individual	£1,943.70
29.7.2023	13	Card payment to S – an individual	£920.70

Eventually, Mr I tried to withdraw money from his trading account and was told that he needed to pay a fee. Mr I says he had to borrow money from a family member and after discussing it with them, Mr I realised he'd been the victim of a scam.

Mr I reported the scam to Revolut in August 2023, through a professional representative. Revolut declined to refund Mr I, saying they'd proactively warned Mr I when he made

payments four and eight (in the table above) and each time he set up a new payee. But Mr I had ignored the warnings.

Mr I wasn't happy with Revolut's response, so he brought a complaint to our service.

An investigator looked into Mr I's complaint but didn't uphold it. The investigator said Revolut had intervened, but Mr I hadn't been honest in answering their questions – which prevented Revolut from uncovering the scam.

Mr I didn't agree with the investigator's opinion and asked for an ombudsman to review his case. Mr I raised the following points:

- On 25 July 2023, he sent over £20,000 within a single day and Revolut should've been concerned and intervened.
- Revolut should've spoken to him and asked more probing questions, for example, what type of goods he was buying. If they had, he wouldn't have been able to provide satisfactory responses and the scam would've been uncovered.

The case has been passed to me to review.

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 really sorry that Mr I has lost a significant amount of money, which has seriously impacted his wellbeing. I understand the ongoing impact cruel scams like this have on their victims.

But, having carefully considered all of the evidence, I've reached the same outcome as the investigator. I'll explain why.

In broad terms, the starting position in law is that Revolut are expected to process payments that a customer authorises it to make, in accordance with the terms and conditions of the customer's account and the Payment Services Regulations 2017 (PSR's). And, generally, Revolut can hold Mr I liable for the disputed transactions if the evidence suggests it's more likely than not that he made or authorised the transaction himself.

It's not in dispute that Mr I authorised the payments, although he did so not realising he was the victim of a scam.

But, Revolut also has a duty to exercise reasonable skill and care, pay due regard to the interest of its customers and to follow good industry practice to keep customer's accounts safe. This includes identifying vulnerable consumers who may be particularly susceptible to scams and looking out for payments which might indicate the consumer is at risk of financial harm.

Should Revolut have intervened?

Revolut intervened when Mr I made payments four and eight. I'm satisfied that these were appropriate points for Revolut to have intervened.

Mr I made seven payments on 25 July 2023, totalling more than £20,000. This was out of character and unusual compared to his previous account activity, and I think the number of payments made in a short period of time, should've concerned Revolut that Mr I might be at risk of financial harm.

I wouldn't have expected Revolut to intervene on any further payments after payment 8, due to the spacing and value of the payments.

So, I'm satisfied that Revolut should've intervened on 25 July, which they did.

Was Revolut's intervention appropriate and could they have prevented Mr I's losses?

Based on the pattern of payments and the payments value, I would've expected Revolut to have transferred Mr I to their in-app chat so a specialist could ask him questions about the payments – which they did.

The conversation that Revolut had with Mr I during their intervention on payments four and eight, were nearly identical.

Both times the conversation started with Revolut giving Mr I a warning, which said:

"Our security system has held your transaction of X to X in pending as we need to perform some further checks on this payment. Please be aware that scammers are using increasingly sophisticated techniques to gather personal information and convince customers to transfer funds in complex scams. They can pretend to be a financial institution, government institutions, trusted online merchants, an exciting investment opportunity or even people you know. They may even contact you by phone or SMS from a number that appears to belong to a trusted source, such as Revolut or another bank. Revolut will NEVER contact you over the phone without verifying ourselves first via the in-app chat. We will also NEVER contact you by SMS to verify ourselves."

Revolut then asked Mr I to send a selfie to verify his identity.

After receiving the selfie Revolut provided a safe account scam warning, which expanded further on what they had already said.

Revolut then asked some questions about the payment Mr I was making. They asked if anyone had contacted him unexpectedly asking him to make payment, Mr I said no. Revolut confirmed that Mr I had selected a payment purpose relating to purchasing goods or services and said that if he had been told to select that payment option when he wasn't making a purchase to stop, as it was a scam. Revolut asked Mr I if he had been asked to ignore scam warnings during the payment process, and he said no.

Revolut asked Mr I what goods or services he was purchasing, he said luxury items. He gave the same reason for both interventions.

Revolut then provided a warning related to purchase scams.

They also asked Mr I to acknowledge that "by continuing with the transfer, in the event of this being fraudulent/scam activity, we will be unable to recover these funds and any other funds you subsequently send to this beneficiary" and "Revolut has warned me that this is likely a scam and are unlikely to recover my funds if I proceed with this transaction."

The scam warnings Revolut gave wouldn't have been impactful as Mr I chose a payment purpose which wasn't aligned with the reason he was making the payment.

Mr I says that if Revolut had asked more questions about the purchase, that the scam would've been uncovered and his loss prevented. But I'm not satisfied that I can fairly conclude that it would've. I say this because of Mr I's interactions with the scammer while Revolut was intervening on these payments.

Mr I copied a screen shot from Revolut which suggested the payment may be a scam and the scammer told him it was normal for banks to do that because they didn't want to lose his money.

Mr I also shared with the scammer that Revolut were asking for a selfie, and the scammer told him to send it. But suggested that Revolut were just trying to prevent Mr I's money from leaving them so "they can use it for their own purposes". The scammer also told Mr I to tell Revolut that he was buying luxury goods.

When Revolut asked Mr I to confirm that he'd been given a scam warning, he told the scammer "their [sic] asking me to write a declaration that this is likely a scam and I wish to proceed with this. Am scared this might be a scam now."

The scammer reassured Mr I that Revolut was just trying to scare him. Mr I asked the scammer what if Revolut was right. The scammer said it wasn't logical and referred Mr I to the rating of the "vendor" he was using to trade and said they were a "verified vendor". Mr I clearly had concerns about what he was being asked to do and ignored the warnings that Revolut had given. I'm persuaded that even if Revolut had asked more questions about the payment, it's likely that Mr I would've referred to the scammer and given their answers to Revolut. And that it's more likely than not the scammer would've continued to reassure Mr I and address any concerns he had.

It's clear that Mr I truly believed that he'd met someone with the same values he held and that he believed they were working towards having a future together, regardless of the short time he'd known them. Also, Mr I had fallen victim to a romance scam, which turned into an investment scam. So, it's likely that any warning Revolut gave in relation to investment scams, which would've been most relevant to his circumstances is unlikely to have been impactful – as the key features wouldn't resonate with Mr I's circumstances. I think it's also worth noting, that at the point Revolut would've intervened, Mr I had successfully made a small withdrawal from his investment following his initial deposit.

So I'm not persuaded that further questioning by Revolut would've uncovered the scam, or broken the spell Mr I was under. And, on that basis, I can't fairly hold Revolut liable for his loss.

Recovery of funds

As all of these payments were made for the purchase of cryptocurrency from individual sellers, Revolut couldn't have recovered Mr I's funds. Unfortunately, the loss occurred when Mr I then transferred the purchased cryptocurrency to the scammer. So I can't fairly say there is anything more than Revolut could've done to try and recover his funds.

I'm really sorry to disappoint Mr I, but I'm not satisfied that I can ask Revolut to refund him.

My final decision

My final decision is that I don't uphold this complaint against Revolut Ltd.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr I to accept or reject my decision before 15 January 2025.

Lisa Lowe
Ombudsman