

## **The complaint**

Mr C complains that Revolut Ltd (“Revolut”) have failed to refund the money he lost as part of an investment scam.

Mr C has a representative but for ease of reading I will mainly just refer to Mr C.

## **What happened**

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

In summary though, Mr C found an advert for a company that I will call B on a well-known social media website. Mr C created a “trading account” with B and was appointed an account manager. Mr C initially lost money on this account in 2020 and was then contacted again some months later in 2021 by a different representative of B who said that he could recover his losses.

Over the next several months Mr C took out a number of loans and re-mortgaged his house. He did this while transferring, in a number of transactions, over £500,000 between October 2021 and February 2023 to an account he held with a different company and two crypto exchanges. My understanding is that the funds were converted into crypto which was then sent on to B. These funds seem to have been sent initially to “trade” and then were sent to release “profits” that Mr C had made on his account with B.

The funds for these transactions were sent to Mr C’s Revolut account from an account that he holds with a different institution that I will call D.

Mr C eventually realised he had been scammed when he was unable to recover the funds that he sent to B.

Mr C asked Revolut to refund these payments as he believes Revolut should have done more to prevent him from being scammed. Revolut did not agree with this.

One of investigators looked into this matter and he thought that Revolut should have intervened and asked probing questions, but any warnings or interventions would not have stopped the scam.

Mr C did not agree with this and therefore his complaint has been passed to me to issue 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.

Having done so, I agree with the conclusions reached by the investigator for the following reasons.

It isn't in dispute that Mr C authorised the disputed payments he made from his Revolut account. The payments were requested by him using his legitimate security credentials provided by Revolut, and the starting position is that Revolut 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 C from falling victim to the scam, as there are some situations in which it should reasonably have had a closer look at the circumstances surrounding a particular transaction. For example, if it was particularly out of character.

In this instance it is clear that Revolut did not intervene appropriately as a number of the payments were sufficiently out of character to have prompted an intervention. But this does not mean that Revolut is at fault for Mr C's loss as I need to consider what would have happened had it intervened more than it did.

I have therefore looked at the interventions that did happen between D and Mr C to establish what was most likely to have happened had Revolut intervened as well. In this instance we have several call recordings and I have listened to these calls. It is clear that Mr C was intentionally misleading D about why he was doing the transfers. It also seems that Mr C was misleading the loan and mortgage companies as to why he needed to borrow funds. Given this, I think that had Revolut intervened Mr C would have likely intentionally misled Revolut as well. It seems unlikely that Mr C would've been upfront with what he was doing as he had not been with D.

So, from this I am satisfied that Mr C would not have been forthcoming about what he was doing had Revolut had questioned him and therefore I don't think that Revolut would have discovered that Mr C was likely being scammed. Given this, I think that at most Revolut would have provided Mr C with a general scam warning and I don't think that this would have stopped him as he was clearly under the spell of the scammer at this point.

I also think that even had Revolut stopped the payments, and I don't think it needed to, I find it likely that Mr C would have found another way to send funds to B as he was desperate to recover the funds that he had already sent it.

Therefore, even if Revolut ought to have done more, I don't think its failure to probe further could reasonably be considered as the proximate cause of Mr C's loss in these circumstances, as it seems likely he would have given misleading information and proceeded to make the transactions irrespective of any intervention.

I've also thought about whether Revolut could have done more to recover the funds after Mr C reported the fraud. Revolut are not a signatory of the contingent reimbursement model and, in any event, Mr C transferred money to his own account so the contingent reimbursement model does not apply. I also don't think that the funds could have been recovered by any other means. So I don't think that Revolut could have recovered the funds.

I appreciate this will likely come as a disappointment to Mr C, and I'm sorry to hear he has been the victim of a cruel scam. However, I'm not persuaded that 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 C to accept or reject my decision before 22 April 2024.

Charlie Newton  
**Ombudsman**