

The complaint

Mrs H complains Revolut Ltd didn't do enough to protect her when she fell victim of an investment scam.

What happened

Mrs H has an account with Revolut – which was opened during the scam to which this complaint relates – and accounts elsewhere too.

Mrs H says she was contacted in November 2022 by a woman on a well-known social media platform asking her if she was interested in making money investing in shares and cryptocurrency. Mrs H says she was looking for opportunities to earn additional income at the time and was told that they could double her money within two months. Mrs H says she researched the company involved and it appeared to be genuine. In fact, she was speaking to a scammer. Mrs H says the scammer told her to set up an account with Revolut and helped her set up cryptocurrency wallets too. She says the scammer told her to download software that allowed them remote access to their computer so they could take her through the steps involved and help. Mrs H's Revolut account was opened on 16 November 2022.

Between 18 November and 15 December 2022 Mrs H says she sent over ten payments totalling more than £40,000 to the cryptocurrency wallets the scammer had helped for set up for onward investment. Mrs H says she stopped sending money when she was told she'd need to pay £8,000 in order to withdraw the profits she'd been told she'd made. Mrs H says she's taken out loans and borrowed from friends at that stage and had no more money. She says her husband told her she'd been scammed when she asked him for money.

Mrs H contacted Revolut in January and February 2023 to say she'd been scammed and that she wanted her money back.

Revolut looked into Mrs H's claim and said that it couldn't help her as it had no grounds to raise a chargeback. Revolut said that the payments she'd made to the cryptocurrency wallets had all been authorised and authenticated by her and the wallets were in her name and under her control. Mrs H complained about Revolut's response to her claim – with the help of a representative – and ultimately complained to our service.

One of our investigators looked into Mrs H's complaint and said that they didn't think Revolut had missed an opportunity to prevent loss to Mrs H and agreed that a chargeback wouldn't have helped. So, they didn't recommend that this complaint be upheld. Mrs H was unhappy with our investigator's recommendation and asked for her complaint to be referred to an ombudsman for a decision. Her complaint was, as a result, passed to me.

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 can see that Mrs H made a mixture of card payments and transfers from her account with

Revolut to various cryptocurrency wallets she'd set up. I can also see that she set up her Revolut account at the suggestion of the scammer – and with the scammer's help. The same is true of the cryptocurrency wallets to which the payments and transfers went. Mrs H downloaded software onto her computer that allowed the scammer to access it remotely, and I can see from the social media chat Mrs H's representative sent us that the scammer talked through everything with Mrs H step by step and that, for example, she shared passwords and other personal details with the scammer during the course of the scam. In addition, I can see, for example, the scammer told Mrs H what to tell banks when she was applying for loans or trying to make payments to make sure that everything went smoothly.

I can see that Mrs H started making payments to cryptocurrency two days after she opened her account with Revolut – and made payments totalling £14,000 that day. Revolut has said that as the account had only just been opened – meaning it had no account history for Mrs H – it couldn't say that these payments were unusual for her. I don't agree with Revolut that this means it wasn't able to identify unusual or suspicious payments, but what's more important is that Revolut held the second payment Mrs H tried to make as it was to a new beneficiary, and it had concerns. An agent from Revolut contacted Mrs H via chat to find out more about the payment Mrs H wanted to make and asked her a series of questions. I've seen a copy of that chat and can see the agent asked Mrs H if the payment was a "transfer to a 'safe account'" and if she'd been asked to ignore scam warnings when making the payment. I can also see that Mrs H was asked to confirm that she wasn't using any remote access software, was sending money to her own account and that the decision to move the funds wasn't influenced by anyone else. Mrs H answered "no" to all of these questions even though that wasn't true. Revolut says it released Mrs H's payments as it had no reasons to be concerned given the answers she'd provided. Before doing so, Revolut warned Mrs H of the types of scams it was seeing at the time, including scammers pretending to be "an exciting investment opportunity" which, given that the scammer had told Mrs H they could double her money in two months, this clearly was.

Having seen the social media chat between Mrs H and the scammer, I can completely understand why Mrs H didn't answer truthfully – it's clear that Mrs H was by this stage completely under the spell of the scammer to the point that they had, for example:

- a) gone ahead with the investment even though their husband had said early on that it looked like a scam;
- b) concealed the fact that they'd gone ahead with the investment from her husband even though they normally always talked about money; and
- c) been willing to mislead friends and family in order to obtain further funds for investment.

I can understand, given Mrs H's circumstances at the time, why she did the things she did. The scammer was able to gain her complete confidence and made her genuinely believe that she was making tens of thousands of pounds' worth of profits. I can see Mrs H even carried on talking to the scammer after they'd contacted Revolut to say they believed they'd been scammed – including talking about ways they could obtain further funds in order to release their profits. In the circumstances, even if Revolut had asked more questions, I don't think it would have uncovered this scam and I don't think it, therefore, missed an opportunity to prevent further loss here.

Because of what I've just said, I agree with our investigator that it wouldn't be fair to require Revolut to refund the payments Mrs H has made which were subsequently lost to the scam. I have every sympathy for Mrs H – she's lost a substantial amount of money and now owes money to third parties. That's down to the person, however, who scammed her and not, in this particular case, as a result of any failings on Revolut's part.

My final decision

My final decision is that I'm not upholding this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs H to accept or reject my decision before 20 April 2024.

Nicolas Atkinson
Ombudsman