

The complaint

Mr L complains Revolut Ltd didn't do enough to protect him when he fell victim to an investment scam.

What happened

Mr L has an account with Revolut which he says he opened during this scam at the scammer's suggestion. He also has an account with a bank who I'll refer to as "B" throughout the rest of this decision.

Mr L says his brother introduced him to someone who was helping him make money trading cryptocurrency. The person in question then contacted him on a well-known social media messaging app and explained the investment and what it involved. M L says he wasn't a regular investor and believed the person he was speaking to was acting in his best interests. Both he and his brother were, in fact, speaking to a scammer.

Having agreed to invest, the scammer asked Mr L to buy cryptocurrency – he already had a cryptocurrency wallet so he didn't need to set one up – and to transfer the cryptocurrency he bought to the "investment platform". He sent three payments from his account with B totalling £15,800 and three payments from his account with Revolut totalling £40,100 to cryptocurrency to that end. He made all six payments between 15 and 18 August 2022. In order to help finance the payments I've just mentioned, Mr L took out a £50,000 personal loan repayable over five years but said that the loan was for home improvements.

Mr L says the person he was speaking to told him that he needed to invest more money to make better returns and that this ultimately led him to realise that he'd been scammed. He says he was so embarrassed that he didn't contact Revolut until May 2023 at which point he reported the fact that he'd been scammed to all businesses involved.

Revolut investigated and said that it had intervened because its systems had detected that he was making a payment to a new beneficiary and it had warned him that the payment might be a scam but he'd gone ahead. Revolut also said it had contacted the receiving bank but no funds remained. For those reasons, Revolut said that it couldn't refund him. B also investigated and said that it wasn't liable as all three payments had been sent to accounts in his name and as he'd been making regular payments to his cryptocurrency wallet this was already an established payee. In addition, B said that it had stopped two of his payments but hadn't been able to give him the relevant warnings because he hadn't been honest about what they were for. Mr L wasn't happy with the responses and complained to our service.

One of our investigators looked into Mr L's complaints and didn't uphold them. They said that Mr L had made payments from his account with B to an established payee and had told B that he was sending the money for home improvements, hadn't been told to lie and hadn't been asked to open an account with Revolut, none of which was true. So, they didn't think B could have been expected to do more. And they said the same in relation to Revolut.

Mr L wasn't happy with our investigator's recommendations and asked for his complaints to be referred to an ombudsman for decision. Another ombudsman has looked into Mr L's

complaint against B and decided not to uphold it saying that he hadn't been honest with B when it had intervened and that B couldn't fairly have been expected to prevent further losses to Mr L. His complaint against Revolut was, however, 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 agree with the ombudsman and the investigator that have looked into Mr L's complaints that the payments he started making in August 2022 were sufficiently unusual to be concerning. I've also listened to the calls when B intervened. Having done so, I'm satisfied that Mr L wasn't honest in a number of material respects and that this meant B couldn't have fairly been expected to prevent further losses to Mr L. I accept that the transfer in relation to which B intervened was a transfer to his newly opened account with Revolut and not to his long-established cryptocurrency wallet whereas the transfers from Revolut were all going to cryptocurrency. And that Mr L wouldn't have been able to say with much credibility to Revolut that the payments he was making were to do with home improvements. But in this case, it's clear that Mr L told B what he did because he was being guided by the scammer who he believed was acting in his best interests. That's often the case when someone has been scammed. In the circumstances, I agree with our investigator that Mr L would have almost certainly given Revolut an explanation that would have made sense – one that the scammer would have provided. I also, therefore, agree that there was nothing that Revolut could have done to prevent Mr L's losses, nor given the length of time between the scam and the scam being reported do I see what more Revolut could have done to recover Mr L's money as it had long since gone. In short, I agree that this isn't a complaint I can uphold.

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 Mr L to accept or reject my decision before 21 December 2024.

Nicolas Atkinson
Ombudsman