

The complaint

Mr G complains that Revolut Ltd (Revolut) is refusing to refund him the amount he lost as the result of a scam.

Mr G is being represented by a third party. To keep things simple, I will refer to Mr G throughout my decision.

What happened

The background of this complaint is well known to all parties, so I won't repeat what happened in detail.

In summary, Mr G had been enquiring about investment opportunities online when he received a call from an individual that claimed to be from a trading company, I will call X. Mr G was provided with a background to the company and Mr G was sent a link to X's website that appeared genuine.

Mr G was required to pay a signup fee of £250 to start the investment process which also gave Mr G access to what appeared to be a professional trading platform. X then explained that if Mr G was to invest £10,000 it would contribute a further 20% allowing the account to trade with £12,000. Mr G was told that the more he invested, the more profit he could make.

Mr G was required to make payments into the investment using various cryptocurrency exchanges.

Mr G later requested a withdrawal from his trading account but was told he would have to make further payments first. Having made further payments, the withdrawal was still not successful.

X continued to contact Mr G to make further investments, but Mr G refused until he could make a withdrawal. X then explained that Mr G could withdraw \$250,000 if he made a payment of \$16,000 first. At this point Mr G realised he had fallen victim to a scam.

Mr G made the following payments in relation to the scam:

Payment	Date	Payee	Payment Method	Amount
1	6 July 2023	Binance	Debit Card	€2,250
2	18 July 2023	Binance	Debit Card	€1,000
3	18 July 2023	Binance	Debit Card	€1,300
4	18 July 2023	Binance	Debit Card	€1,150
5	24 July 2023	Binance	Debit Card	€1500
6	24 July 2023	Binance	Debit Card	€1500
7	25 July 2023	Binance	Debit Card	€1,000
8	25 July 2023	Binance	Debit Card	€1,000
9	25 July 2023	Bifinity	Debit Card	€1,000
10	26 July 2023	Moonpay	Debit Card	€900
11	27 July 2023	P2P 1	Debit Card	€1,800

12	2 August 2023	P2P 1	Debit Card	€5,345
13	7 August 2023	P2P 1	Debit Card	€5,346
14	9 August 2023	P2P 1	Debit Card	€5,500
15	2 October 2023	Interage Group KFT	Transfer	€1,500
16	3 October 2023	Interage Group KFT	Transfer	€1,600

Our Investigator considered Mr G's complaint and didn't think it should be upheld. Mr G disagreed, so this complaint has been passed to me to decide.

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.

It has not been disputed that Mr G has fallen victim to a cruel scam. The evidence provided by both Mr G and Revolut sets out what happened. What is in dispute is whether Revolut should refund the money Mr G lost due to the scam.

Recovering the payments Mr G made

Mr G made payments into the scam via his debit card and the method of transfer. When payments are made by card the only recovery option Revolut has is to request a chargeback.

The debit card payments Mr G made in relation to the scam were not made directly to the scammer. Instead, Mr G was making payments in exchange for cryptocurrency that was received by him, and it took additional steps for those funds to be forwarded to the scammer. As there is no dispute that the that cryptocurrency was provided to Mr G in exchange for the payments, he made using his card the chargeback process would not have been successful.

When payments are made by transfer Revolut has limited options available to it to seek recovery. I can see Revolut did contact the operator of the payee's account but unfortunately no funds were available in the account to be recovered.

With the above in mind, I don't think Revolut had any reasonable options available to it to seek recovery of Mr G's payments.

Should Revolut have reasonably prevented the payments Mr G made?

It has been accepted that Mr G authorised the payments that were made from his account with Revolut, albeit on X's instruction. So, the starting point here is that Mr G is responsible.

However, banks and other Payment Services Providers (PSPs) do have a duty to protect against the risk of financial loss due to fraud and/or to undertake due diligence on large transactions to guard against money laundering.

The question here is whether Revolut should have been aware of the scam and stepped into question Mr G about the payments he was making. And if it had questioned Mr G would it have been able to prevent the scam taking place.

By the time Mr G made payment 4 he had made three payments the same day to a known cryptocurrency exchange I think this should have caused Revolut to have concerns and a proportionate intervention would have been for Revolut to have provided Mr G with a tailored written warning that highlighted the key elements associated with cryptocurrency investment scams.

When Mr G made payment 6 he was making the second successful payment that day to a known cryptocurrency exchange and had other payments declined so I think Revolut should have intervened again and provided a further intervention.

I think that a proportionate intervention would have been for Revolut to have provided a human intervention, for example, by directing Mr G to its in-app chat facility so the payment could be discussed in more detail. But I don't think this would have made a difference, I will explain why.

When Mr G made payment 16 Revolut intervened, and he was provided with two screens. The first screen explained that "victims lose millions every year" it continued by stating "... it's important that you take care and do your research before making a payment."

The following screen stated:

"Fraudsters are professionals. They'll try to trick you into sending them money by pretending to be someone you trust. They can make their calls, emails and advertisements look professional".

Following these warning screens Mr G was required to select a purpose for the payment he was making. The available options included "as part of an investment" But Mr G selected the option "Buy or rent goods or services".

The following screen stated that:

"Something doesn't look right. Your transaction has been flagged by our system as a potential scam. To continue we need to ask you some questions."

Mr G was then asked the following questions and gave the following answers:

Statement. "If you are being scammed, the fraudster may ask you to hide the real reason for this payment".

A. "I Understand."

Q. "Is anyone telling you how to answer these questions? Is someone telling you which options to chose or telling you this is urgent?"

A." No, I am not being assisted through this questionnaire."

Q. "Why are you making this transfer? We'll only use this information to help protect your account."

A. "Buy or rent goods or services."

Q. "What are you buying or renting? This helps us identify the level of risk."

A. "Buying goods from an online retailer."

Q. "Is the price cheaper than usual? Scam victims are enticed into buying or renting services or products for "unrealistic" prices."

A. "No, its averagely priced or more expensive than usual"

Q. "Do you know the seller is legitimate? If you don't know them personally, we suggest reading reviews or recommendations."

A. "Yes, I've checked online reviews."

Q. "Have you seen proof of ownership? If you haven't yet, ask the seller to prove that they own the item."

A. "Yes, I have seen documentation."

It's clear from the evidence above that Mr G was giving false information in order to get the payments processed. When Mr G was asked why he was dishonest when answering the questions he said he took direction from X on how to answer the questions knowing he was being dishonest.

I appreciate Mr G has told us that it would have made a difference had Revolut intervened earlier and provided more in-depth warnings, but I think it's clear that Mr G was willing to take direction from X when making the final payment knowing he was giving false information. I don't have enough to say that if Revolut intervened at any other stage and asked Mr G similar questions, that he would have provided any more honest answers.

Providing false information would have, and did make It extremely difficult for Revolut to uncover the scam that was taking place. So, I don't think Revolut missed an opportunity to prevent the scam, and it is not responsible for Mr G's loss.

My final decision

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 24 April 2025.

Terry Woodham
Ombudsman