

The complaint

Miss B complains that Revolut Ltd (Revolut) is refusing to refund her the amount she lost as the result of a scam.

Miss B is being represented by a third party. To keep things simple, I will refer to Miss B 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, Miss B found an advertisement for an investment company online. I will call the company "X". beneath the advertisement it explained that wealthy people invested in cryptocurrency and X appeared to be endorsed by a well-known celebrity.

Miss B clicked on the link and was directed to what appeared to be a genuine and legitimate website. Miss B left her details on the website to show her interest.

Miss B tells us she then carried out research online about X and was able to see positive online reviews on trusted review sites.

Miss B then received a call from X. X explained it would be able to help Miss B achieve her financial goals, and that she had taken her "first step to financial freedom".

Miss B paid an initial £250 from an account she held elsewhere as a setup fee and was required to provide identification documents to open an account. Once the account was open X advised Miss B to change her password.

Having spoken to X for some time and building a trusting relationship X advised Miss B to open an account with Revolut as it provided an easier transfer process. Miss B opened the account and started to make payments into an investment with X.

Miss B was able to see the balance on her account with X and that she was making a profit. X then advised Miss B that if she increased the balance on her account to £100,000 it would enable its "highest rank tier of investor" which would allow for better opportunities to make a greater profit.

On X's advice Miss B started to make further payments to increase her balance. Once the payments were made the investment appeared to be doing well and Miss B could see she was continuing to make a profit on her account.

But in March 2023 X told Miss B she would have to move her funds to an Atomic wallet as it was changing the way it invested. Once the funds were moved from Miss B's account with X, X told Miss B that she had to make further payments in fear of money laundering allegations. Miss B tells us this made sense to her as a large transfer had taken place, so she made the payments.

It then appeared Miss B's Atomic wallet was flagged by its anti-money laundering department, and she was told she would have to transfer £200,000 by 30 June 2023 to show liquidity, otherwise she would lose everything.

In fear of losing the money she had already invested Miss B started to make the payments but was unable to pay the full amount by the deadline she was given. Miss B was then advised that she would lose 30% of her investment unless she paid a further 30% upfront. Miss B tells us she realised at this stage she had fallen victim to a scam.

Miss B was required to download remote access/ screen sharing software so that X could help her through the investment process.

Miss B made the following payments in relation to the scam:

<u>Payment</u>	<u>Date</u>	<u>Payee</u>	<u>Payment Method</u>	<u>Amount</u>
1	30 June 2022	Binance	Debit Card	£5,000.00
2	20 July 2022	Binance	Debit Card	£5,000.00
3	2 August 2022	Binance	Debit Card	£2,500.00
4	17 August 2022	Binance	Debit Card	£5,000.00
5	16 September 2022	Binance	Debit Card	£5,000.00
6	7 October 2022	Binance	Debit Card	£5,000.00
7	19 October 2022	Binance	Debit Card	£5,000.00
8	20 October 2022	Binance	Debit Card	£4,980.00
9	21 October 2022	Binance	Debit Card	£5,000.00
10	24 October 2022	Binance	Debit Card	£5,000.00
11	25 October 2022	Binance	Debit Card	£5,000.00
12	26 October 2022	Binance	Debit Card	£5,000.00
13	27 October 2022	Binance	Debit Card	£5,000.00
14	16 November 2022	Binance	Debit Card	£5,000.00
15	17 November 2022	Binance	Debit Card	£5,000.00
16	19 November 2022	Binance	Debit Card	£5,000.00
17	19 November 2022	Binance	Debit Card	£5,000.00
18	14 December 2022	Binance	Debit Card	£950.00
19	14 December 2022	Binance	Debit Card	£1,000.00
20	15 December 2022	Binance	Debit Card	£5,000.00
21	16 December 2022	Binance	Debit Card	£5,000.00
22	17 December 2022	Binance	Debit Card	£5,000.00
23	20 April 2023	Binancelrgbpecom	Debit Card	£5,000.00
24	21 April 2023	Binancelrgbpecom	Debit Card	£5,000.00
25	22 April 2023	Binancelrgbpecom	Debit Card	£5,000.00
26	31 May 2023	Binancelrgbpecom	Debit Card	£5,000.00
27	31 May 2023	Binancelrgbpecom	Debit Card	£5,000.00
28	31 May 2023	Binancelrgbpecom	Debit Card	£5,000.00
29	31 May 2023	Binancelrgbpecom	Debit Card	£5,000.00
30	1 June 2023	Binance	Debit Card	£5,000.00
31	30 June 2023	Binance.com	Debit Card	£10,478.82
32	30 June 2023	Coinbase	Transfer	£50,000.00
33	30 June 2023	Banxa	Transfer	£50.00
34	30 June 2023	Banxa	Transfer	£29,900.00
35	30 June 2023	Essential Tokens S.R.O	Transfer	£25,000.00
36	1 July 2023	Fragment Culture	Transfer	£17,800.00

		School		
	1 July 2023	Coinbase	Credit	£46,612.10cr
	1 July 2023	Coinbase	Credit	£100.00cr
	1 July 2023	Coinbase	Credit	£100.00cr
37	3 July 2023	Banxa	Transfer	£29,905.00

Our Investigator considered Miss B's complaint and didn't think it should be upheld. Miss B 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 Miss B has fallen victim to a cruel scam. The evidence provided by both Miss B and Revolut sets out what happened. What is in dispute is whether Revolut should refund the money Miss B lost due to the scam.

Recovering the payments Miss B made

Miss B made the payments in relation to the scam via her debit card and the method of transfer. When payments are made by card the only recovery option available to Revolut is to request a chargeback.

The chargeback process is in place to refund customers when they pay for goods or services on their card that are not received. In this case Miss B knowingly purchased cryptocurrency and this service was provided to her. Therefore, the chargeback option would not have been available to her as her dispute is with X and not the cryptocurrency exchanges, she paid.

When payments are made by transfer Revolut has limited recovery options available to it. Revolut could contact the operator of the receiving account to request a refund of any funds that might remain. I can see that Revolut did explore this option, but it was unsuccessful.

With the above in mind, I don't think Revolut had any reasonable options available to it to recover the payments Miss B made in relation to the scam.

Should Revolut have reasonably prevented the payments Miss B made?

It has been accepted that Miss B authorised the payments that were made from her account with Revolut, albeit on X's instruction. So, the starting point here is that Miss B 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 intervened when the payments were made. And if it had intervened, would it have been able to prevent the scam taking place.

Revolut did intervene when Miss B attempted several of the payments and conversations between Miss B and Revolut took place via its in-app chat facility.

When Miss B attempted to make payment 16 Revolut intervened, and a conversation took

place.

Miss B confirmed she had not downloaded and screen sharing applications and she had not received any calls from anyone asking her to create a Revolut account and encouraging her to make an outbound transfer. Miss B also confirmed there was not a specific person or company she had met recently that was encouraging her to invest in crypto, and the investment was as a result of research she had carried out herself.

When Miss B attempted to make payment 32 Revolut intervened, and a conversation took place.

Miss B was asked to explain her investment. Miss B said, "I am wiring the funds to my personal Coinbase where I will invest on various cryptocurrency".

Miss B also confirmed she had not been asked to install any screen sharing applications.

When Miss B attempted to make payment 34 Revolut intervened, and a conversation took place.

Miss B confirmed she had not been asked to install any screen sharing applications and had not been assisted in setting up an investment account.

When Miss B attempted to make payment 35 Revolut intervened, and a conversation took place.

Miss B confirmed again that she had not been asked to install any screen sharing applications and had not been assisted in setting up an investment account.

Throughout her chats with Revolut Miss B was also warned about the increasing complexity it was seeing in scams and that scammers could pretend to be offering an excitement investment opportunity.

After giving incorrect information to Revolut and ignoring the warnings it provided to her Miss B continued with the payments confirming that if the payments being made ended up being in relation to a scam, Revolut would unlikely be able to recover the funds.

We asked Miss B why she didn't give honest answers when she was questioned by Revolut about the payments, and she told us on several occasions that:

"Miss B was guided by the scammer on what to say to the bank and the banks questioning was ineffective as they did not provide any explanation of the importance of telling the truth during the intervention or explaining the consequences. Due to this, Miss B had no reason to do anything different. Miss B had only just opened the Revolut account and had not built-up trust with them."

Miss B also said that had Revolut intervened when she made earlier payments its interventions would likely have been more successful.

I have considered the evidence available to me including what Miss B has told us. I think it's clear that Miss B was willing to provide false information as guided to by X. I also think Miss B started investing with relatively high payments having discussed her goals with X and agreeing to invest those amounts. I think Miss B would have had a certain amount of trust in X from the outset.

Had Revolut intervened at an earlier time than it did I think it's likely Miss B would have taken guidance from X on how to answer Revolut's questions as she did through the later part of the scam.

Providing incorrect information to Revolut made it incredibly difficult for it to uncover the scam that was taking place, and I don't think any further questioning would have brought the scam to light as X would likely have continued to guide Miss B on what to say.

With this in mind, I don't think Revolut missed an opportunity to prevent the scam and it is not responsible for Miss B's loss.

My final decision

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss B to accept or reject my decision before 21 February 2025.

Terry Woodham
Ombudsman