

The complaint

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

What happened

Mr M has an account with Revolut which he opened in 2022. In other words, he had an account with Revolut before falling victim to the scam he's complaining about. He also had a cryptocurrency wallet before falling victim to the scam he's complaining about. He says he's been "burnt" by cryptocurrency before but hasn't been scammed before.

In November 2023 Mr M contacted Revolut to say that he'd fallen victim to a scam in June 2023. He said he'd been dealing with someone claiming to be a professional investment broker representing a trading platform and had been tricked into sending just over £6,800 to what they thought was a genuine investment. Mr M has told us that some of that money came from family and friends.

Revolut looked into Mr M's claim and said that its systems had detected that the payments he was making were to a new beneficiary and that the payments were suspicious – so it had asked what they were for – but he'd gone ahead with them despite its warnings. In the circumstances, Revolut said it couldn't refund him and also that there were also no funds left to recover. Mr M wasn't happy with Revolut's response and so complained to our service.

One of our investigators looked into Mr M's complaint and said that they didn't think Revolut had acted unfairly as the payments weren't unusual enough for it to have concerns, and it couldn't have done more to recover Mr M's funds. So, they didn't recommend that this complaint be upheld.

Mr M's representatives disagreed with our investigator's recommendation saying that Mr M had sent almost £7,000 to a cryptocurrency exchange, that the amounts he sent were highly unusual compared to his account's normal activity and that Revolut should have stopped the payments and asked probing questions. Had Revolut done so, Mr M's representatives said the scam would have come to light and Mr M would have been prevented from making losses. Mr M's representatives asked for Mr M's complaint to be referred to an ombudsman for a decision. His 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.

In this case, I'm satisfied that Mr M has been the victim of a scam. He was tricked into sending payments to an online cryptocurrency provider in order to buy cryptocurrency which he then transferred to what he'd been told was an investment platform. I'm satisfied that this wasn't the first time that Mr M had bought cryptocurrency – he told the scammer that he already had a cryptocurrency wallet and it's this wallet that he initially used – but I'm satisfied that Mr M hadn't transferred money from his account with Revolut to his existing wallet before this scam. In other words, as far as Revolut was concerned, the payments he made towards this scam were payments to a new beneficiary.

I can see that Revolut's systems identified the fact that the first payment was to a new beneficiary – Mr M made three payments in total – and this triggered its standard warning about making a payment to a new beneficiary. In addition, I'm satisfied that Revolut's systems identified the fact that the payments were suspicious and that Revolut, therefore, asked Mr M what the purpose of the payments and displayed warnings based on the answers given before allowing the payments to go through. In the course of this complaint, Mr M has told us that his son helped him with the payments, and that some of the money he sent towards the scam came from his son and other family members and friends. He's also told us that he was present when the payments were made, and that his son didn't do anything without his approval. The evidence suggests that this might not necessarily be the case – at one point the evidence suggests that Mr M was asleep whilst his son made one of the payments. So, there might be a question mark over whether or not Mr M actually saw Revolut's warnings, and what might have happened if Revolut had done more. In this case, however, I don't think this ultimately makes a difference for the reasons I'm about to give.

As I've already mentioned, Mr M made three payments towards the scam – namely a payment for £2,400 on 29 June 2023, a payment for £2,000 on 1 July 2023 and a payment for £2,285 on 4 July 2023. I can see that Revolut asked Mr M about the purpose of these payments and given his responses I agree with our investigator that Revolut's warnings were proportionate. I agree with Mr M's representatives that the payments were larger than the payments Mr M normally made from his account – most of which were for under £100 – but given that all of the payments were for under £2,500 and each several days apart, I agree that Revolut shouldn't have been fairly and reasonably expected to do more. In coming to this conclusion, I've also taken into account the fact that Mr M opened his account for the purpose of "transfers" and "cryptocurrency".

In short, I agree with our investigator that it wouldn't be fair to say that Revolut missed an opportunity to prevent Mr M's losses as I agree it didn't miss an opportunity to prevent further losses. As there was nothing more Revolut could have done to recover Mr M's payments, that means that I also agree that this isn't a complaint that should be upheld. I appreciate Mr M has been the victim of a scam, and that this will come as a disappointment.

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 M to accept or reject my decision before 7 February 2025.

Nicolas Atkinson
Ombudsman