

## **The complaint**

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

## **What happened**

Mr I has an account with Revolut which he says he opened in the course of this scam. He has accounts elsewhere too with businesses who I'll refer to as "H" and "N".

Mr I says he came across an advert online about a cryptocurrency investment. He says he was looking for an additional income stream at the time and so expressed interest. Having done so, he says he was contacted by a person claiming to be a broker who showed him how the investment worked. He says the person he spoke to suggested he create an account with Revolut, saying that Revolut was a more "crypto-friendly" bank and a preferred bank to facilitate buying cryptocurrency. He says he was also shown how to open an account with a well-known cryptocurrency provider. Mr I says the opportunity appeared to be a genuine one. He was, in fact, speaking to a scammer.

Mr I says he made four payments to the cryptocurrency provider with whom he'd opened an account between 25 January and 22 February 2023. These payments, totalling £15,270, were used to buy cryptocurrency which Mr I then transferred to the investment platform he'd been shown. He now says he realises he was transferring his cryptocurrency directly to the scammer. Revolut says he received credits back from the same cryptocurrency provider – nine in total – between 26 January and 22 February 2023. Mr I says that these credits – around £4,000's worth – were "returns" from his "investment".

Mr I says that he saw his "trading account" grow in value and was told that he'd need to execute two further trades in order to complete his trading cycle. He says he didn't have enough money left in his Revolut account to do this, so he tried to make a payment from his other accounts to the same cryptocurrency provider he'd been using. He says that his other banks blocked his payments and warned him that he might be falling victim to a common type of cryptocurrency scam. Mr I says it was at this point that he realised he'd been scammed and at this point that he stopped making any more payments into the scam.

Mr I says he contacted Revolut through its in-app chat to report the fact that he'd been scammed. He says he did so on 24 February 2023. Mr I says Revolut's response was poor and that he was referred to an organisation that wasn't relevant. He complained to Revolut with the help of a representative.

Revolut says Mr I's representative complained in January 2024 saying that it hadn't done enough to protect him when he fell victim to the scam. Revolut says it investigated Mr I's complaint and said that it hadn't done anything wrong as a chargeback wouldn't work as the payments were in relation to a money transfer service and it had simply followed his instructions. Mr I wasn't happy with Revolut's response and complained to our service.

One of our investigators looked into Mr I's complaint and said that Revolut should have provided a written tailored warning when he attempted to make a £4,000 payment to the

cryptocurrency provider in question on 2 February 2023. They also thought that Revolut should have intervened when he attempted his final payment of £7,700 on 22 February 2023 and that this should have been in the form of a human intervention. However, they didn't think any intervention by Revolut would have made any difference given the steps H and N had taken and the warnings they'd given him and the impact of these warnings. So, they didn't uphold Mr I's complaint.

Mr I wasn't happy with our investigator's recommendation and asked for his 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.

Mr I's representatives disagreed with our investigator's recommendations as to what point Revolut ought to have intervened – although they didn't say at what stage Revolut should have intervened – and said that Revolut should have given a warning that was pertinent and specific to his case. Had Revolut done so, Mr I's representatives say Mr I would have heeded Revolut's warning. I thought about what Mr I's representatives have said, and I don't agree. I'll explain why.

Our investigator thought that Revolut should have intervened when Mr I attempted to make a £4,000 payment to the cryptocurrency provider in question on 2 February 2023. He'd only made two payments to cryptocurrency before this. One for £2 and one for £1,500. Neither of those payments are large enough to have fairly or reasonably caused Revolut concern. The £4,000 payment, however, was as it was for over £3,000 and identifiably to cryptocurrency. So I agree that was an appropriate point of intervention. He made a second payment of £2,000 later on that day. And the next payment was his final payment – the second one that our investigator said should have triggered as that was for £7,700. I agree that this payment should have probably triggered. More importantly though, given what I've said, I can't see at what different point Mr I's representatives think Revolut should have intervened other than the two times our investigator has said.

Our investigator also said that they didn't think any intervention by Revolut would have made a difference. I agree with our investigator that the first intervention ought to have been a tailored written warning and that the second one ought to have been a human intervention. That's important because I also agree with our investigator that Mr I's other banks intervened in what should have been stronger and more impactful ways and they struggled to stop him making further payments towards this scam. Again, I'll explain in more detail.

I can see that Mr I spoke to H about transferring money to his account with Revolut. Having questioned Mr I about why he wanted to do so, the agent had concerns that Mr I was being scammed. So, they referred him to branch having explained to him how typical cryptocurrency investment scams work. I can see that Mr I went into branch the following day and I'm satisfied that he refused to watch educational scam videos and instead said he wanted to close his account. I've seen evidence to back this up in the chat conversation between Mr I and the scammer. It's clear from the notes that Mr I hadn't been able to find the company he believed was helping him online and that H explained to him some of the steps he could take to protect himself. In the end, Mr I moved the money he had in his account with H to his account with N and then tried to transfer this money to his account with Revolut despite the very clear warnings he'd already been given by H. N blocked his payment and called Mr I to explain in very clear terms that he was being scammed and that they wouldn't allow him to make the payment. This warning was, to use the words of Mr I's representative, "clear and pertinent to his case". In fact, I'd go further than that. It was an extremely effective

warning. Despite this, it's clear Mr I still wasn't convinced he'd been scammed and felt it was his money and he should be able to do what he wanted with it – it was no-one else's business. On occasions I also consider that Mr I wasn't as open as he should have been – to that extent I don't entirely agree with our investigator who felt he'd been honest and open. This doesn't, however, ultimately impact my analysis, so I don't plan to say more.

Given everything I've just said, I agree that even if Revolut had intervened when it should have and in the way it should have that this wouldn't have made a difference as his other banks took stronger steps – including ones not open to Revolut, namely telling Mr I to go into branch – and even they struggled. It's clear from the chat I've seen that Mr I still believed he had an investment that had made money. In the circumstances, I agree that it wouldn't be fair to hold Revolut liable.

### **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 I to accept or reject my decision before 17 November 2024.

Nicolas Atkinson  
**Ombudsman**