

Complaint

Mr B is unhappy that Revolut Ltd didn't reimburse him after he told it he'd fallen victim to a scam.

Background

Mr B met someone on a dating app. Their conversation later moved to WhatsApp and, after some time had passed, his contact persuaded him that she could help him invest his money in cryptocurrency. She commended a specific platform for Mr B to use and guided him through the process of opening an account. Unfortunately, this wasn't a legitimate platform and Mr B was in contact with a fraudster.

He made the following payments using his Revolut account. These payments were made to a legitimate third-party cryptocurrency exchange. The funds were then converted to cryptocurrency and transferred into the control of the fraudster.

1	24 May 2023	£50
2	29 May 2023	£800
3	29 May 2023	£100
4	29 May 2023	£170
5	30 May 2023	£300
6	30 May 2023	£250
7	31 May 2023	£8,365.52
8	31 May 2023	£85.45
9	1 June 2023	£125.66
10	7 June 2023	£2,000

After seeing the performance of what he believed was his investment, he decided to withdraw his profits from the fake investment platform. However, he was told that he needed to deposit more cryptocurrency on to the platform in order to complete his withdrawal. Mr B managed to pay some of the withdrawal fees, but when he was unable to pay the full amount, the woman he'd been in contact with stopped responding to his messages. It was at this point that Mr B realised he had been scammed.

Mr B complained to Revolut and said it should have done more to protect him. Revolut didn't agree and declined to refund him. Mr B wasn't happy with this response and so he referred his complaint to this service. An Investigator looked into things but didn't think the complaint

should be upheld. Mr B remained unhappy, so the complaint has been passed to me for a final decision.

Findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

In broad terms, the starting position at law is that a firm is expected to process payments and withdrawals that a customer authorises, in accordance with the Payment Services Regulations (in this case, the 2017 regulations) and the terms and conditions of the customer's account. However, that isn't the end of the story. Good industry practice required that Revolut be on the lookout for account activity or payments that were unusual or out of character to the extent that they might indicate a fraud risk. On spotting such a payment, I'd expect it to take steps to protect their customer. That might be as simple as providing a written warning as part of the payment process or it might extend to making contact with the customer to establish the circumstances surrounding the payment.

I've thought carefully about what Revolut knew or ought to have known at the time of these payments and whether there was anything about the activity on Mr B's account that should've prompted it to intervene. Having done so, I think it ought to have been concerned about the 7th payment in the table above. This was a high-value payment to a cryptocurrency exchange. Mr B had gone from making relatively low-value crypto purchases to this significantly larger amount. Given the high fraud risk associated with cryptocurrency transactions - a risk that was well recognised by May 2023 - I think Revolut should have considered that Mr B could have been at risk of financial harm due to fraud here.

It ought to have done more to understand the circumstances surrounding the payment before allowing it to proceed. Having said that, the fact that I've identified a shortcoming on Revolut's part doesn't automatically mean Mr B should be refunded. I need to be persuaded that its failing was the cause of his loss. I therefore need to consider what was likely to have happened if Revolut *had* paused the payment and discussed it with Mr B.

I've seen the messages between Mr B and the scammer, which show that she actively coached him on how to respond to any checks or questions. For example, after Mr B made his first payments to a cryptocurrency exchange, she told him he'd need to complete a questionnaire from the third-party platform. She guided him through how to answer those questions. When the scammer persuaded him that he should make payment 7, he told her that he didn't have enough money available. She encouraged him to borrow money from friends and family, but also told him to mislead them about the reasons he needed the funds. I also understand she told him to tell Revolut, if asked, that the transactions were to his own account.

I realise I can't know for certain how he would've responded if Revolut had taken steps to warn him. However, it appears that Mr B trusted the scammer because of the romantic relationship he believed had developed between them and I think it's likely he would have followed her instructions, even if Revolut had intervened.

For the sake of completeness, I've also considered whether Revolut did everything it could in respect of recovering Mr B's funds. He'd paid his own account at the cryptocurrency exchange and exchanged those funds for cryptocurrency – so it wouldn't have been able to request the funds be returned by the receiving bank. I also considered, since Mr B made these payments using a debit card, whether it could've raised a chargeback on his behalf. However, these transactions were made to a merchant with the purpose of receiving fiat currency and converting it into cryptocurrency. That service was performed by the third-party

platform and so it's difficult to see how any chargeback claim could've been successful in the circumstances.

I don't say any of this to downplay the fact that Mr B has fallen victim to a cruel and cynical scam. I have a great deal of sympathy for him and the position he's found himself in. However, my role is to look at the actions and inactions of Revolut and, while I agree that it should've done more here, I'm not persuaded its failure to do so was the cause of his losses.

Final decision

For the reasons I've explained above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 23 April 2025.

James Kimmitt
Ombudsman