

The complaint

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

What happened

Mr A opened an account with Revolut in June 2023, in the course of this scam. He has an account with another business who I'll refer to as "S" throughout the rest of this decision. He says that he's retired and that his main income comes from his pension.

Mr A says that he was looking for a partner on a dating website when he started speaking to a woman who told him that she worked in the fashion industry. He says they spoke about lots of different things, that they seemed to have similar views and ethics and that they spoke about meeting up. After talking for a few days, Mr A says the woman he was speaking to mentioned that she traded in cryptocurrency to make additional money. He says she asked him if he wanted her to show him and that she showed him the platform she used and ultimately got him to invest too. He was, in fact, speaking to a scammer.

Mr A says that between 13 and 22 June 2023 he paid £9,200 into his account with Revolut. He converted this money into cryptocurrency which he then withdrew so that he could then invest in the platform he'd been shown.

Mr A says he started to suspect he'd been scammed when he was told he'd need to pay tax in order to withdraw his profits. That was on 28 June 2023. He contacted Revolut using its in-app chat service to ask whether in its professional experience the platform he was investing in was legitimate. Revolut says it asked Mr A to send details and, having done so, it told him that the website he'd been trading on was very unlikely to be legitimate. Revolut asked if he'd like to go ahead and try and claim the funds back. Mr A ultimately said yes.

Revolut wasn't able to recover any of Mr A's money. Mr A complained in October 2023 saying that he'd lost £9,200 to the scam and that Revolut didn't do enough to protect him.

Revolut looked into Mr A's complaint and said that all of his transfers were to an account in his name, and it had given him sufficient warnings, so it wouldn't be able to refund him. Revolut also said that the payments weren't eligible for chargeback. Mr A was unhappy with Revolut's response and so complained to us.

One of our investigators looked into Mr A's complaint and having decided that it was one we could look into said that they didn't think Revolut had acted unfairly. In other words, they didn't recommend that Mr A's complaint be upheld. Mr A was unhappy 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.

In this case I'm satisfied that Mr A made seven payments into his Revolut account between 13 and 22 June 2023. The smallest payment was for £4.99 – used to pay for his card – and the largest payment was for £3,100. He converted the money into cryptocurrency once he'd received it and then sent the cryptocurrency to a wallet in order to invest in the platform he's mentioned. I'm satisfied that the only time Revolut warned Mr A was the first time he sent cryptocurrency - at which point he was making a payment of equivalent to £100. That warning was in the form of a "review transfer" which asked him if he trusted the account to which he was sending the cryptocurrency. The warning explained that once initiated crypto transfers are irreversible, that funds sent to the wrong address can't be recovered and that sometimes transfers might be delayed. In other words, the warning didn't say anything about cryptocurrency scams, investment scams or romance scams.

In this case, Mr A made a transfer over £3,000 on 22 June 2023 that was identifiably related to cryptocurrency. All other things being equal, we'd expect a firm like Revolut to give a tailored warning relevant to cryptocurrency investment scams (regardless of what the consumer indicated the payment or intended account opening purpose was for) tackling some of the key features of the scam. Revolut didn't do that in this case. I can, however, see that Mr A's other bank – S – blocked Mr A's account when he tried to send money to his Revolut account in order to fund this £3,100 payment and that Mr A called S to find out why. I've listened to that call. Having done so, I can see that S asked Mr A if the Revolut account to which he was sending the money was one he'd newly opened. Mr A confirmed that it was. The agent then asked Mr A what the purpose of the payment was, which is what I would have expected the agent to do as banks were aware at that time that scammers would encourage people to open accounts online with electronic money institutions – like Revolut – to get round some of the limits banks had been putting in place. I can see that Mr A wasn't particularly happy being asked what he was doing, saying that it was a "personal thing" and that the payment was a "personal investment" and a "business venture". He said he was aware of scams. The agent Mr A was speaking to at this point explained some of the things scammer do – for example, telling people they're scamming to lie to their banks about why they're making the payment in question – and the steps that he should take to make sure he wasn't being scammed. In other words, he gave the type of warning that Revolut arguably should have given. I'm satisfied that Mr A went ahead with the payment nevertheless.

I can see that Mr A didn't begin to suspect he'd been scammed until he was asked to pay £7,000 in tax in order to withdraw some of his profits. This was after he'd already made all of the payments I've mentioned above. At that stage he contacted Revolut via its online chat to ask in its professional opinion whether or not the platform he was dealing with was legitimate. It's clear from the chat, and from the actions that Mr A takes after Revolut has told him that the platform is very unlikely to be legitimate, that Mr A very much believed that the person he'd been talking to was genuine and that he'd made a considerable profit. In the circumstances, I agree with our investigator that Revolut wouldn't have been able to convince Mr A that he was being scammed even if it had given him a warning. He'd continued to invest despite the warning S had given him – who he had a much longer relationship with and so was more likely to trust. So, it's hard to see how Revolut could have done better.

Given everything I've just said, I agree that Revolut didn't miss an opportunity to prevent further loss to Mr A and that it wouldn't, therefore, be fair to ask it to refund any of his money. I appreciate that Mr A has lost what is a substantial amount of money for him.

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 A to accept or reject my decision before 29 October 2024.

Nicolas Atkinson
Ombudsman