

Complaint

Mrs O is unhappy that Revolut Ltd didn't reimburse her after she told it she'd fallen victim to an investment scam.

Background

In 2023, Mrs O saw an advert on social media for a cryptocurrency investment opportunity. She clicked on a link in the advert and was contacted by a man who said he represented the company behind the investment. She didn't know at the time, but he wasn't a representative of a genuine firm, but a fraudster.

The fraudster told Mrs O that the company would trade on her behalf, and she found him to be credible and persuasive. He helped her register and asked her to download remote access software so he could guide her through the process. She began by making an initial payment of £200 using her account at a different bank.

Later, when her account appeared to show a profit, she asked to withdraw her funds. But she was told she'd need to pay a series of fees first. Mrs O went on to make twelve payments from her primary bank account to Revolut. Those funds were then transferred to an e-wallet with a third-party cryptocurrency exchange, converted to cryptocurrency, and ultimately moved into the control of the fraudsters.

When Mrs O realised she'd been scammed, she contacted Revolut. It declined to reimburse her. She wasn't happy with that response and so she referred her complaint to this service. It was looked at by an Investigator who didn't uphold it. Mrs O disagreed with the Investigator's opinion, so the case has now come 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. In this instance, Mrs O has said that she didn't go through the mechanics of making the payments herself - this was done by the fraudster via remote access software. Nonetheless, I'm satisfied that the evidence shows she was aware of and consented to those payments and so she can be said to have authorised them.

That means that she is considered liable for the payments at first instance. 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.

Most of the early payments Mrs O made to Revolut were of low value – around £10. But the sixth payment was significantly higher at £14,467. Revolut did act in connection with that payment and contacted Mrs O to ask her some questions about it. However, she gave inaccurate responses. For example, she said she hadn't downloaded any remote access software, hadn't found the investment opportunity via social media, and that she'd previously invested in cryptocurrency. This meant that Revolut's ability to protect her from the risk of financial harm due to fraud was hamstrung. It needed to warn Mrs O about fraud risk but, without accurate answers to its questions, it couldn't tailor its warning appropriately. As a result, some of the warnings that it did give to Mrs O weren't relevant to her circumstances.

I've thought carefully about whether it could have done more. It might, for example, have followed up with more probing questions. But Mrs O has since explained that she was coached by the scammer to respond to its questions in the way that she did. I think it's likely she would have continued to do so, even if asked more detailed questions.

Mrs O also said that if she'd spoken to a Revolut agent on the phone, the scam might have been uncovered. I've taken this into account. However, she did speak to an employee at her main bank when transferring funds to Revolut and I've had the opportunity to listen to a recording of that call. During that conversation, she again gave a misleading explanation and said the money was for a new business overseas. This suggests that, even if Revolut had spoken to her by phone rather than just via its app, she would have given similar answers, influenced by the scammer.

I've also considered whether it did everything it could in respect of recovering Mrs O's funds. It should make contact with the receiving bank (i.e. the bank that Mrs O made her payments to) to see whether any funds remained – but in this case, Mrs O made the payments to an account in her own name, and they were moved on almost immediately.

I don't say any of this to downplay the fact that Mrs O has fallen victim to a cruel and cynical scam. I have a great deal of sympathy for her and the position she's found herself in. However, my role is limited to looking at the actions and inactions of Revolut and, taking everything into account, I'm not persuaded that it did anything wrong here.

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 Ms O to accept or reject my decision before 18 April 2025.

James Kimmitt
Ombudsman