

## The complaint

Mr B complains Revolut Ltd didn't do enough to protect him when he fell victim to recovery scams.

## What happened

Mr B has an account with Revolut that he opened in May 2019. He had accounts with another business – who I'll refer to as "N" throughout the rest of this decision. He closed his accounts with N in July and August 2023 using the switch process and transferred the balances in those accounts to his Revolut account.

Between February 2022 and March 2023 Mr B says he paid approximately £60,000 to scammers having fallen victim to a number of cryptocurrency scams. He contacted N to say he'd been scammed who agreed to a partial refund. That was in May 2023.

At the beginning of July 2023 Mr B complained to us saying that N – having refunded him – had now placed restrictions on his account. He said those restrictions meant he had to withdraw cash in order to access his money and he was only allowed to withdraw £250 a week unless he had evidence showing what he needed money for. In other words, N placed restrictions on his account that meant he had to go into branch in order to operate his account. Mr B said that N was treating him like a "kid". He ultimately decided to close his accounts with N. At the time N said that it was concerned that Mr B was still making payments to scammers and that unblocking his account was too risky. His accounts were closed between the end of July and the beginning of August 2023.

In July and August 2023 Mr B says he was approached by several people claiming that they could recover the funds he'd lost to scams. He was, in fact, speaking to scammers. The first scammers got him to pay approximately £20,000 to recover £67,000 in a cryptocurrency wallet they said belonged to him. The second scammers got him to pay approximately £6,000 to do the same thing. And the third scammer – who the second scammer said would call – got him to sell his car and pay a further £3,100 to recover funds he'd lost to scams. These payments were funded by the refunds Mr B had received from N which ended up getting transferred to Mr B's account with Revolut as a result of Mr B closing his accounts with N.

On 19 August 2023 Mr B contacted Revolut using its online chat service to say he'd been scammed. Revolut looked into this and said that Mr B wasn't eligible for a refund but that it was trying to retrieve his funds. Mr B didn't get a satisfactory response from Revolut and so contacted us in October 2023 to complain that Revolut hadn't done enough to protect him. His representatives then got involved and agreed that Revolut hadn't had an opportunity to look at Mr B's complaint meaning it hadn't issued a final response. So, Revolut was giving an opportunity to do so.

Revolut looked into the scam payments Mr B had complained about – in other words, payments he'd made in July and August 2023 – and looked into further scam payments he'd made in October 2023. Revolut attempted to chargeback some of the more recent payments he'd made – with some success – but said it wasn't upholding his complaint as it had placed

a number of his payments on hold and warned him that they might be scam payments. Mr B was unhappy with Revolut's response, so he complained to us.

One of our investigators looked into Mr B's complaint and said that Revolut had placed a number of the payments on hold and warned him that they might be scam payments. They didn't think Revolut could have done more to prevent Mr B from making the payments he did. For those reasons, our investigator didn't recommend that this complaint be upheld.

Mr B's representatives weren't happy with our investigator's recommendations saying that the evidence didn't show Revolut had given Mr B any tailored warnings, and that Revolut hadn't even understood that Mr B had fallen victim to recovery scams rather than an investment scam. Mr B's representatives said that Mr B was very vulnerable at the time too, and Revolut would have picked this up had it intervened properly. In the circumstances, they thought Revolut should provide a full refund. They asked for Mr B'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.

Earlier on this month I issue a detailed provisional decision giving additional reasons why I didn't think this complaint should be upheld. Mr B's representative disagreed with my provisional decision saying, amongst other things, that I hadn't taken Mr B's vulnerabilities into account and that it was unfair to say that Mr B would have proceeded in any event had he been given an effective warning. They also said that the actions his previous bank – N – had taken were evidence that steps could have been taken to prevent the harm.

In my provisional decision I said the following:

*"I'm satisfied, based on the evidence I've seen, that Mr B has fallen victim to a number of scams over the years and has lost over £60,000 to them. I'm also satisfied that he's spent several years trying to recover the money he's lost – and continues to do so. He managed to recover most of the money he lost – but not all of the money he lost – in the biggest scam he'd fallen for by bringing a complaint against N. He got a partial refund from N in May 2023.*

*I'm satisfied, based on the evidence I've seen, that N placed restrictions on Mr B's account after partially refunding him as it was concerned that he'd fallen victim to so many scams and was asking to make further payments seemingly to other scammers. In other words, N considered Mr B to be a high risk of being scammed again. The restrictions meant he could, in effect, only operate his accounts by going into branch. Mr B complained that N was treating him "like a kid" and said that he wasn't going to be falling for any more scams. I can, however, see that as soon as he got access to the funds from his accounts with N – which were paid into his Revolut account – he started paying those funds to the scammers he's now complaining about. Mr B complained to us about those restrictions at the beginning of July 2023."/*

Having quoted a number of messages Mr B sent to the scammers he was talking to at the time – he was talking to at least three sets of scammers – I said:

*"These messages suggest that at best Mr B fell for new scams despite having just realised he'd been scammed again, and potentially that Mr B carried on making payments to a scammer having already realised he'd been scammed. And, for example, that he made a payment in relation to the third scam despite having already*

*realised the second scammer – who'd told him the third scammer would call him – had scammed him."*

I also said:

*"I've also seen the chat between Mr B and Revolut. Before he complained he'd been scammed, I can see Mr B chatted to Revolut about his account having been blocked and that Revolut unblocked his account – without asking any other questions – as soon as Mr B sent in a selfie. I can also see that on another occasion Revolut warned Mr B not to use his account for business purposes. I agree that Revolut didn't ask Mr B about any of the payments he was making in the chat – that's what we'd expect a business like Revolut to do when a customer is making unusual payments. I can also see that once Mr B complained he's been scammed Revolut appeared to treat his complaint as a complaint about an investment scam rather than a recovery scam. And to consider whether the steps it took were the types of steps it should have taken in relation to an investment scam. Revolut's failure to grasp what Mr B was complaining about is concerning. But I don't believe any of that makes a difference to the outcome here. I say that because based on all the evidence, Mr B seemed determined to make these payments, despite the obvious red flags, despite having been scammed very recently and despite having been scammed multiple times. I don't think Revolut could have done anything to stop him based, amongst other things, on what happened when N tried to protect him from the very same scammers."*

I can assure Mr B's representatives that I did take Mr B's vulnerabilities into account when I issued my provisional decision. I can see he's fallen victim to a number of scams over the years, and that he continues to do so. In this particular case, his previous bank was so concerned that he was going to fall for another scam – was falling for new scams – that it restricted his account so that it was one that could only be operated in branch. Mr B's response to that was to complain that he was being treated like a "kid", to complain and ultimately to close his account. Having done so, and having transferred the money he'd got N to refund him, he went on to send that money to the same scammers that N had been warning him about.

Having reconsidered everything that's been said, I remain of the view that N's actions show that there was little, if anything, Revolut could have done to protect Mr B in this case. In other words, I remain of the view that this isn't a complaint I can uphold.

I do hope that Mr B starts to recognise that his banks have been trying to protect him from scammers. And that he listens more carefully to what his banks say and is far more careful when he's approached by people claiming that they can help him. If not, he risks falling victim to more and more scams.

### **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 B to accept or reject my decision before 25 October 2024.

Nicolas Atkinson  
**Ombudsman**