

## The complaint

Miss G complains that Revolut Ltd did not refund a series of payments she lost to a scam.

## What happened

Miss G fell victim to an investment scam after she read an article online and followed a link she found in it. She gave her details and was contacted by an individual, who said he worked for an investment company I'll call 'X'. Unfortunately, they turned out to be a scammer. The representative from X spoke to Miss G frequently over the phone and sent many articles about how current events were affecting trading. Miss G downloaded a screen sharing software called AnyDesk and opened a cryptocurrency account under the guidance of the scammer.

When Miss G was told her funds at X were at risk, she decided to try and withdraw her returns. However, she received contact from the cryptocurrency exchange telling her she had to prove her liquidity before she could process the withdrawal by sending more money. Eventually, the exchange closed her wallet and she had to open a wallet with a separate exchange. Following this, the new exchange again asked her to send more funds proving her liquidity.

Following this, instead of the funds being moved to her current account, they went back to the investment platform. She was then told she needed to pay tax on the fees in order to withdraw them. She did so, but eventually stopped hearing back from the scammer and she did not receive any of her returns. Miss G made the following transfers from her Revolut account to her cryptocurrency wallet, before forwarding it onto the scam investment platform:

Date	Amount
17/05/2023	£3,000
23/05/2023	£3,000
12/06/2023	£4,000
22/06/2023	£5,000
23/06/2023	£3,000
03/07/2023	£1,500
03/07/2023	£500
03/07/2023	£100
05/07/2023	£2,045
05/07/2023	£100
12/07/2023	£100
12/07/2023	£2,800

Miss G raised a scam claim with Revolut in September 2023 and they responded on 12 October 2023 explaining they would not be reimbursing her as they had provided appropriate warnings. Following this, Miss G raised a formal complaint, to which Revolut provided a final response on 16 November in which they said they would not be reimbursing Miss G.

Miss G referred the complaint to our service and our Investigator looked into it. They

explained that Revolut had provided a general investment scam warning covering some of the features of the scam she fell victim to prior to her making the first payment. So they felt Revolut had acted reasonably in the circumstances and did not need to provide a refund.

Miss G disagreed with the findings. She did not think Revolut had provided her with a warning, and she felt they had tried to block her from raising a complaint.

As an informal agreement could not be reached the complaint has been passed to me for a final decision.

### **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 deciding what's fair and reasonable in all the circumstances of a complaint, I'm required to take into account relevant: law and regulations; regulators' rules, guidance and standards; codes of practice; and, where appropriate, what I consider to be good industry practice at the time.

Broadly speaking, the starting position in law is that an account provider is expected to process payments and withdrawals that a customer authorises it to make, in accordance with the terms and conditions of the account. And a customer will then be responsible for the transactions that they have authorised.

It's not in dispute here that Miss G authorised the payments in question as she believed they were part of a legitimate investment. So, while I recognise that she didn't intend the money to go to scammers, the starting position in law is that Revolut was obliged to follow Miss G's instruction and process the payments. Because of this, she is not automatically entitled to a refund.

The regulatory landscape, along with good industry practice, also sets out a requirement for account providers to protect their customers from fraud and financial harm. And this includes monitoring accounts to look out for activity that might suggest a customer was at risk of financial harm, intervening in unusual or out of character transactions and trying to prevent customers falling victims to scams. So, I've also thought about whether Revolut did enough to try to keep Miss G's account safe.

I can see that Revolut intervened in the very first payment that Miss G made to the cryptocurrency exchange. This was for £3,000 and was going to a known cryptocurrency provider. In this situation, I would expect Revolut to provide a tailored cryptocurrency investment scam warning prior to it being processed. And this is what I can see they did.

I am aware that Miss G has queried whether a warning was provided, and having reviewed Revolut's file I can see a marker showing this payment went through additional checks and I'm satisfied what Revolut has said is correct.

The warning asked Miss G to ensure no-one else had access to her cryptocurrency account. It also said that if she had been asked to download screensharing software such as Anydesk, it could be a scam. Finally, it recommended that she research if what she was investing in was a legitimate company/cryptocurrency.

I do think this warning could have gone further and warned Miss G about brokers or third

parties helping with her investment and to be wary of unrealistic returns. But in this case, I think there were enough features of the specific scam Miss G fell victim to in the warning that I think it was reasonable in the circumstances. I say this because Miss G was asked to download Anydesk, and I therefore think this could have been a clear warning that something may not be right with X.

In addition, had she looked up X in more detail, she could have seen a warning on the Financial Conduct Authority website showing they are not authorised or regulated to trade in the United Kingdom. In addition to this, while there were some positive reviews online about X, there were also already some very negative views from individuals claiming their money had been taken by X and they were a scam.

With all of this in mind, while I do think the warning from Revolut could have gone into more detail and brought to life what a cryptocurrency investment scam looks like, in this particular case I think it was a proportionate response to the risk level and could have uncovered the scam that Miss G had fallen victim to.

I appreciate that this was not the only payment Miss G made, and that she went on to make 11 more over the next two months. I don't want to minimize just how devastating this has been for Miss G and her family, but I have to balance her individual circumstances with Revolut's responsibility to process a significant number of transactions across their systems daily.

This was a new account, so there was no previous account activity for Revolut to compare the scam payments to, and they had provided a cryptocurrency investment scam warning for the first payment, so they had already mitigated some of the risk. The later payments were relatively spaced out and while some values were relatively high, they weren't so unusually high as to warrant intervention from Revolut prior to them being processed. I know this will come as a disappointment to Miss G, but I don't think Revolut needed to take any further steps to verify the payments before they were processed. So, I don't think they missed an opportunity to reveal the scam.

I appreciate Miss G feels Revolut tried to block her from raising a complaint. And I do think it would have been good customer service for them to explain without prompting that she could dispute the declined claim and raise a complaint. But I do note that once she asked them if she could raise a complaint, they quickly provided the appropriate link for her to do so. And while there was an initial delay in them providing a full final response, they did do so by the extended deadline which gave appropriate referral rights to our service. So, I don't think they have made an error in the circumstances.

I want to acknowledge that Miss G has been the victim of what is in my opinion a cruel and manipulative scam, and I'm sorry she's had to go through this experience. Unfortunately, this complaint is not against the scammer and I can only consider Revolut's actions in relation to the payments listed above. Having done so, for the reasons outlined above, I think they took reasonable and proportionate steps to try and protect Miss G's account, and I do not recommend that they issue a refund.

### **My final decision**

I do not uphold Miss G's complaint against Revolut Ltd.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss G to accept or reject my decision before 28 February 2025.

Rebecca Norris

**Ombudsman**