

The complaint

Mrs P complains Revolut Ltd didn't do enough to protect her when she fell victim to an investment scam.

What happened

Mrs P has an account and a debit card with Revolut which she says she opened in the course of this scam and at the scammer's suggestion. She has accounts with other businesses too, including a bank who I'll refer to as "S" throughout the rest of this decision.

Mrs P says she saw an advert on a well-known social media platform about making money on the stock market. She says she was interested and so clicked a link on the advert. She says she was subsequently contacted by three different individuals and that the last person she spoke to convinced her to invest and that she was given lessons in how to trade. She says she paid £250 using a credit card she owns for these lessons. The person who convinced her to invest was, in fact, a scammer.

Mrs P says the scammer told her to open an account with Revolut and a cryptocurrency wallet with a well-known cryptocurrency exchange saying that they were easier to deal with when cryptocurrency was involved. She says they also asked her to download remote access software saying that this would help them guide her through the trading process.

Mrs P says she was told that the minimum investment needed to commence trading was £1,000 and because of this she made an initial payment of £800 towards investing. She did so on 26 July 2023. She says that there was no intervention from Revolut.

Mrs P says after making this initial payment the scammer updated her regularly on how her investment was doing, and she appeared to be making a reasonable return. She made further payments between 3 and 5 August 2023.

Mrs P says that she was told she'd have to pay a fee when she tried to make a withdrawal and this ultimately led to her realising she'd been scammed.

Mrs P contacted Revolut on 10 August 2023 to say that she'd been scammed. She asked for Revolut's help arranging chargebacks. She says Revolut ultimately told her that there was nothing it could do as she'd authorised the payments and there was no evidence of fraudulent activity.

Mrs P complained to Revolut on 21 September 2023 with the help of a representative saying that Revolut should have intervened and warned Mrs P when she started making large payments to cryptocurrency from a newly opened account. Revolut didn't agree. Mrs P, therefore, complained to our service.

One of our investigators looked into Mrs P's complaint and agreed that Revolut should have intervened as the payments Mrs P was making were concerning. They thought that Revolut should have intervened when Mrs P attempted to make her third payment towards the scam. However, they didn't think in this case that an intervention would have made a difference as

Mrs P had gone ahead despite a warning from S and it was clear that the scammer had convinced her that this was a genuine investment and was coaching her too. So, they didn't recommend upholding Mrs P's complaint.

Mrs P's representatives weren't happy with our investigator's recommendations, saying that Revolut should have intervened as our investigator had found and that isn't something that should have been delegated to S. They asked for Mrs P's complaint to be referred to an ombudsman for a decision. Her 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.

I can see that Mrs P made five cryptocurrency related payments between 26 July 2023 and 5 August 2023 for £800, £2,500, £2,500, £350 and £1,000 respectively and that she asked Revolut to attempt chargebacks in relation to the first four of these payments saying that they were made as part of a cryptocurrency scam. Having seen the chat between Mrs P and Revolut, I'm satisfied that the final payment – the one for £1,000 – was a payment she made believing that she was paying a close friend who needed help. In other words, that this payment relates to a different scam. I'm not, therefore, going to say anything else about that payment and am instead going to focus on the investment scam she's complained about.

I can see that Mrs P was initially reluctant to invest money into this scam even though she believed it was a genuine opportunity to invest in the stock market because the amounts involved were significant for her. I can also see that once she'd decided to do so – having been convinced by the scammer – that she had problems making the transfers she needed to. Some of her payments, for example, were declined and at one point her account with S was blocked. I can see that the scammer not only managed to get Mrs P over her initial reservations – and to get her to invest more than she'd originally planned – but also helped her through the whole process. In this case, I agree with our investigator that this meant any bank intervention was less likely to succeed. I'll explain why.

In this case, I can see that Mrs P spoke to her bank – S – when she was trying to move £5,000 to her account with Revolut in order to fund the two £2,500 payments she made. S blocked that transfer and blocked Mrs P's account having declined other attempted payments. S also asked Mrs P to call which she did. I've listened to that call and I've seen the warning that S also gave. Having done so, I agree with our investigator that any tailored written warning relevant to cryptocurrency investment scams that Revolut had given – and that's what we would have expected in this case – wouldn't have made a difference given that S's human and written intervention didn't. I do think S's intervention call could have been better in places, but Mrs P said, for example, that she doesn't click on links when warned of the dangers of them and said, for example, that she wasn't speaking to anyone who was helping or advising her and that she'd found information about Revolut herself and that she considered it a new way to pay for goods and services. S's written warning covered the main feature of a cryptocurrency investment scam.

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 Mrs P to accept or reject my decision before 25 November 2024.

Nicolas Atkinson
Ombudsman