

## The complaint

Mr G complains that Revolut Ltd won't refund the money he lost when he was the victim of a scam.

## What happened

In January 2023, Mr G saw an advert online about cryptocurrency investment being promoted by a well-known television presenter. The advert directed him to an investment company which said it could teach him how to trade. And, after signing up, Mr G was helped to set up accounts on a trading platform and with cryptocurrency exchanges.

Mr G then made a number of payments from his Revolut account to purchase cryptocurrency, which was sent on to wallet details he was given for the investment company. I've set out the payments Mr G made from his Revolut account below:

Date	Details	Amount
3 January 2023	To 1 <sup>st</sup> cryptocurrency exchange	£2,090
4 January 2023	To 1 <sup>st</sup> cryptocurrency exchange	£14,997
4 January 2023	To 2 <sup>nd</sup> cryptocurrency exchange	£5,007
9 January 2023	To 1 <sup>st</sup> cryptocurrency exchange	£14,997
9 January 2023	To 1 <sup>st</sup> cryptocurrency exchange	£1,500
9 January 2023	To 1 <sup>st</sup> cryptocurrency exchange	£3,500
13 January 2023	To 1 <sup>st</sup> cryptocurrency exchange	£10,005
17 January 2023	To 2 <sup>nd</sup> cryptocurrency exchange	£15,000

Unfortunately, we now know the investment company was a scam. The scam was uncovered after Mr G tried to withdraw some of the money he was told he had made, but was told he had to give the company control over his account. And when Mr G refused to do this, the company became rude and Mr G realised he had been the victim of a scam.

Revolut investigated but said it had fulfilled its duty to protect Mr G by showing him warnings about scams and wasn't at fault for processing the payments. So it didn't agree to refund the money he had lost. Mr G wasn't satisfied with Revolut's response, so referred a complaint to our service.

I sent Mr G and Revolut a provisional decision on 17 October 2024, setting out why I wasn't intending to uphold the complaint. An extract from the provisional decision is set out below:

*"In broad terms, the starting position at law is that an Electronic Money Institution ("EMI") such as Revolut is expected to process payments and withdrawals that a customer authorises it to make, in accordance with the Payment Services Regulations (in this case the 2017 regulations) and the terms and conditions of the customer's account.*

*Taking into account relevant law, regulators rules and guidance, relevant codes of practice and what I consider to have been good industry practice at the time, I consider it fair and reasonable in January 2023 that Revolut should:*

- have been monitoring accounts and any payments made or received to counter various risks, including preventing fraud and scams;
- have had systems in place to look out for unusual transactions or other signs that might indicate that its customers were at risk of fraud (among other things). This is particularly so given the increase in sophisticated fraud and scams in recent years, which firms are generally more familiar with than the average customer;
- in some circumstances, irrespective of the payment channel used, have taken additional steps, or made additional checks, or provided additional warnings, before processing a payment – (as in practice Revolut sometimes does);
- have been mindful of – among other things – common scam scenarios, how the fraudulent practices are evolving (including for example the common use of multi-stage fraud by scammers, including the use of payments to cryptocurrency accounts as a step to defraud consumers) and the different risks these can present to consumers, when deciding whether to intervene.

*But, even if Revolut had recognised that Mr G was at heightened risk of financial harm from fraud when making this payment, I don't think the action I would have expected it to take would have prevented his loss. I'll explain why below.*

*I'm satisfied Revolut ought to have recognised that Mr G was at heightened risk of financial harm when he made the second payment here, for £14,997 on 4 January 2023. This payment was for a significant amount, and for an amount significantly larger than any other payment made out of Mr G's account in the previous months. It was also identifiably related to cryptocurrency which, at this time, I think Revolut should have recognised carried an elevated risk of the transaction being related to a fraud or scam.*

*I think I think a proportionate response to the risk I think Revolut should have identified would have been for it to carry out a human intervention with Mr G, asking probing and open-ended questions to find out about the circumstances of the payment and then warning him about the risks it had identified. But even if Revolut had done this, I'm not persuaded it would have prevented Mr G's loss.*

*From what I've seen of his communication with the investment company, Mr G had given the person he was speaking to access to and control over his accounts. So it's possible that any intervention Revolut had carried out would have been responded to by the scammers, rather than by Mr G himself. And as the scammers would obviously have wanted the payments to go through, I don't think this intervention would then have prevented the payments being made.*

*Even if it was Mr G responding to any questions Revolut asked, his communication with the investment company shows he was being guided through the process of making all the payments, as well as of applying for a loan he used to fund to fund some of the payments he made. Mr G is told several times to give the financial institution he is dealing with incorrect information about the circumstances surrounding the payments or application. And he's told not to mention anything about trading and not to mention that anyone was telling him what to do.*

*And as Mr G appears to have been happy to follow these instructions, and being asked to mislead the financial institutions he was dealing with doesn't appear to have caused him significant concern, I think it's likely he would have continued to follow the scammer's instructions during any further questions Revolut asked him. And so I don't think Revolut*

*would have had significant concerns following the questions it asked Mr G and I don't think any warning I would have expected Revolut to show Mr G following those questions would have stopped him making the payments.*

*I appreciate that Mr G has been the victim of a cruel scam and that my decision will come as a disappointment to him. He has lost a significant amount of money and I sympathise with the position he has found himself in. But I can only look at Revolut's responsibilities and, for the reasons I've set out above, I don't think anything I would reasonably have expected Revolut to have done would have prevented the loss he suffered. And so I don't think it would be fair to require Revolut to refund the payment Mr G made here.*

*We also expect firms to take reasonable steps to try to recover any money their customers have lost as a result of a scam, including making use of any available chargeback scheme. But a chargeback can only be made against the company the card payment was made to, which in this case is the cryptocurrency exchanges Mr G purchased the cryptocurrency from. And I haven't seen anything to suggest the cryptocurrency exchanges did anything wrong or did anything other than just process the cryptocurrency transactions as they were instructed to. So I don't think any chargeback claims against the cryptocurrency exchanges would have been successful, and so Revolut has acted reasonably in not carrying them out."*

I said I'd consider anything further Mr G and Revolut sent in, provided it was received by the deadline given.

### **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.

Revolut didn't respond to the provisional decision.

Mr G responded that Revolut should have identified remote access software was being used to control his account. And he said that, if it had warned him about this, the scam would have been uncovered and he wouldn't have lost the money he did.

But the evidence he provided with his response to the provisional decision shows that Revolut detected his account was accessed from a new device, rather than using remote access software. And this appears to match what is discussed in Mr G's communication with the investment company, where he asks if they signed-in to his account and they confirm they did so from a new device.

So while his communication with the investment company suggests Mr G had given them remote access to his device at some point during the scam, it appears the interactions with Revolut were done with the investment company having direct access via another device – rather than with remote access software. And I wouldn't have expected Revolut to highlight this access from another device to Mr G any more than it did in the evidence he provided.

And in any event, his communication with them shows Mr G was aware the investment company had access to and control over his accounts – but this doesn't appear to have caused him significant concern. He was also told several times to give another financial institution he was dealing with incorrect information about the circumstances surrounding the payments or application and not to mention anything about trading and not to mention that anyone was telling him what to do – which he appears to have done, again without significant concern.

So I still think it's likely he would have continued to follow the scammer's instructions during any further questions Revolut asked him. And so I don't think Revolut would have had significant concerns following the questions it asked Mr G and I don't think any warning I would have expected it to show Mr G following those questions would have stopped him making the payments.

I therefore still don't think anything I would reasonably have expected Revolut to have done would have prevented the loss Mr G suffered, or that it would be fair to require Revolut to refund the payments Mr G made here.

### **My final decision**

For the reasons set out above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 3 December 2024.

Alan Millward  
**Ombudsman**