

The complaint

Mr H complains Revolut Ltd didn't do enough to protect him when he fell victim to an investment scam.

What happened

Mr H has an account with Revolut that he opened in January 2023. He has an account elsewhere too with a business who I'll refer to as "H" throughout the rest of this decision.

Mr H says he received an unsolicited message on a well-known messaging app from someone claiming to be offering an investment opportunity. He says he asked for more details and that the opportunity appeared to be a genuine one involving cryptocurrency. So, after looking into the matter carefully, he started to invest. He was, at the time, changing jobs. Mr H says he realised he'd been scammed when he wasn't able to withdraw the profits he'd been told he'd made, and when he kept on being asked to invest higher and higher amounts. He contacted Revolut in January 2024 to say he'd been scammed.

Revolut looked into Mr H's claim and raised chargebacks in relation to six card payments he'd made to a well-known cryptocurrency provider between 24 November 2023 and 9 December 2023 in an attempt to recover his funds. Those payments totalled just over £11,400. The chargebacks weren't successful. In the circumstances, Revolut said that it wasn't able to refund him. Mr H wasn't happy with Revolut's response and ultimately complained to us with the help of a representative.

One of our investigators looked into Mr H's complaint and said that they thought Revolut should have been concerned about the third payment he made on 5 December 2023 as he'd not been using his account frequently before this and was making a third payment to a new payee which was higher than the payments he normally made and was identifiably to cryptocurrency. Our investigator thought that Revolut should have provided Mr H with a better automated warning asking more questions to establish the actual scam risk and should have provided a tailored warning highlighting the key features of a cryptocurrency investment scam. They thought that Mr H would have been receptive to this and that Revolut missed an opportunity to prevent further loss. So, they recommended that Revolut refund 50% of Mr H's losses from the third payment onwards together with interest. Mr H accepted. Revolut didn't. Revolut said that our investigator should have considered what steps Mr H's other bank – H – should have taken as that's where the funds originated from, that it should be held liable as the payments had gone to an account in Mr H's own name (in other words, was a so called "me to me" payment) and that it isn't fair to hold Revolut liable in a case like this. Revolut asked for Mr H'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.

In this case, I'm satisfied that Mr H has fallen victim to an investment scam. Having read the

chat history with the scammer, I can see that he approached the opportunity he'd been offered with considerable caution, and that it was only after several months of persuasion that he agreed to invest larger sums of money. In part that seems to be because the money that he was using to fund the investment was coming from a joint account and he wanted to be able to show a track record of returns. Equally, I can see that Mr H had some concerns about the whole process, and that there were some red flags. His representatives have accepted our investigator's recommendation that liability be shared, which I don't think was an unreasonable recommendation. The main issue for me to decide, therefore, is whether or not Revolut is liable for any of the losses and, in particular, whether or not I agree with any of the issues Revolut raised in response to our investigator's view. Before doing so, it's worth mentioning that our investigator looked into H's actions and based on what H has told us I agree that this isn't a case where liability needs to be split.

Mr H opened his account with Revolut in January 2020, used it for approximately a year and then decided that he wanted to close it. He didn't manage to do so but didn't use the account again until August 2023. He made a couple of small payments and in November 2023 starting sending large payments to a well-known cryptocurrency provider. Specifically, he attempted to send just over £3,450 to a well-known cryptocurrency provider on 5 December 2023, the first two of which were declined and the third of which was completed. I can see that Revolut stopped that third payment – because it was going to a new beneficiary – asked Mr H about the purpose of the payment and questioned him too. It didn't, however, provide him with a better automated warning – asking more questions to establish the actual scam risk – or a tailored warning highlighting the key features of a cryptocurrency investment scam. I agree it should have done, and that this would have brought the scam to light given the concerns Mr H already had, and his cautious approach.

Putting things right

For the reasons I've given, I agree that Revolut missed an opportunity to prevent further loss here, so it's fair to hold Revolut liable as recommended.

My final decision

My final decision is that I'm upholding this complaint and require Revolut Ltd to refund 50% of Mr H's losses from the third payment onwards together with 8% simple interest from the date of payment to the date of settlement.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 12 February 2025.

Nicolas Atkinson
Ombudsman