

## **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 which he opened in 2019. He says he originally opened it so he had an account that he'd be able to use when overseas, but he didn't end up using it. He says he only started using it in March 2023 at the scammer's suggestion. He also has an account with another business who I'll refer to as "H" throughout the rest of this decision.

Mr H says he saw an advert on the internet in February 2023 for what he thought was a genuine investment. The investment involved cryptocurrency. Mr H says that's something he had invested in before, albeit small amounts only. He says he was promised significant returns. He says the scammer he spoke to signed him up to an investment platform, showed him how to transfer money onto the platform so it could be invested, and that the scammer then invested the money for him having got him to download remote access software. Mr H says the investment involved making payments to cryptocurrency and then forwarding the cryptocurrency bought to the platform in question.

Mr H says he made eleven payments between 3 March 2023 and 24 May 2023 to a well-known cryptocurrency exchange – these payments were to buy cryptocurrency. All of these payments were card payments. In total he sent £48,100. Mr H says that the money he invested came from redundancy and his pension. He appears to have borrowed money from his family too.

Mr H says he tried to withdraw the profits he'd been told he'd made in June 2023. He says he was told he'd need to pay a £38,000 fee in order to do so. He says he didn't have any more money at that point so the scammer helped him take out two loans – one for £15,000 and one for £23,000 – using the remote access software he'd downloaded. The proceeds from the two loans were paid into his account with H. Mr H transferred that money to his account with Revolut and then used that money to two new beneficiaries. He did so in five payments, on 5 and 6 June 2023.

Mr H says that he was told he'd have to pay an additional £73,000 in order to withdraw the profits he'd made after paying the £38,000 fee. He says he was told this was for capital gains tax. He says he realised he'd been scammed shortly after this. He contacted a claims management company who told him to contact Revolut to say that he'd been scammed and to ask for help getting his money back and to complain.

Revolut looked into Mr H's claim and raised a chargeback on his behalf. Revolut says it attempted to recover his money too. Revolut says neither of these attempts were successful. Having looked into Mr H's claim and complaint, Revolut said that it wasn't able to get Mr H his money back or refund him. Revolut said that its systems had detected that Mr H was sending payments to a new beneficiary and that it displayed appropriate warnings. And that it had stopped Mr H's payments as its systems had detected that they were out of character, that it warned him that the payments were very likely a scam, and that he went ahead and

made the payments. Revolut also said that none of the card payments he'd made were considered unusual. Mr H was unhappy with Revolut's response and complained to our service with the help of his representative.

One of our investigators looked into Mr H's complaint and ultimately didn't uphold it. They said that Mr H had misled the companies who he'd borrowed money from and had received an email from Revolut about investment scams and how to avoid them. Mr H's representatives weren't happy with our investigator's recommendations saying that Mr H didn't think saying a loan was for "home improvements" when it wasn't was a red flag. Nor did they think that it was reasonable to assume that he would have misled Revolut had it intervened because of what he'd said on the loan applications. They asked for Mr H's complaint to be referred to an ombudsman. His complaint was, as a result, passed on 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.

Last month I issued a detailed provisional decision explaining why was minded to uphold this complaint and require Revolut Ltd to refund 50% of the payments Mr H made towards this scam from the £4,000 payment he made on 2 March 2023 onwards. Both parties were invited to comment. Mr H accepted it. Revolut didn't respond.

In that provisional decision, having set out the relevant laws, regulators rules and guidance, relevant codes of practice and what I consider to have been good industry practice at the time, I said:

*"I consider it fair and reasonable in February 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); and*
- 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."*

I said that I didn't think the warnings Revolut had given were a proportionate response to the risk that the transfers Mr H was making presented. And that Revolut should have done more. I said that had Revolut done so, the scam could have easily been uncovered. And that I didn't agree Mr H would have been dishonest with Revolut simply because he'd told two other businesses that he borrowed money from that the loans were for "home improvements".

### **Putting things right**

In my provisional decision, I said that I was minded to uphold this complaint and require Revolut Ltd to refund 50% of the payments Mr H made towards this scam from the £4,000

payment he made on 2 March 2023 onwards together with 8% simple per annum interest from the date of payment to the date of settlement. Having reconsidered everything again, I remain of the view that this complaint should be upheld and that the refund I'd said is a fair and reasonable outcome. So, that's the award I'm going to make.

### **My final decision**

My final decision is that I'm upholding this complaint and require Revolut Ltd to refund 50% of the payments Mr H made towards this scam from the £4,000 payment he made on 2 March 2023 onwards together with 8% simple per annum 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 6 December 2024.

Nicolas Atkinson  
**Ombudsman**