

## **The complaint**

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

## **What happened**

Mr S has an account with Revolut which he opened in the course of this scam. He also has an account with another business – who I'll refer to as "H" throughout the rest of this decision – which is where his funds came from.

Mr S says that he met an individual on a dating website who he started speaking to and formed a connection with. He says they'd been talking for around 10 days when the individual he was speaking to – who claimed to be a senior analyst – suggested that he should invest in cryptocurrency. Mr S says he looked at the website that he'd been recommended and that it appeared to be genuine, so he started investing small amounts and saw returns. He was, in fact, speaking to a scammer. He says he realised he'd been scammed when he was unable to withdraw his funds.

Between 25 May 2023 and 2 June 2023 Mr S made six payments totalling approximately £8,500 to cryptocurrency as part of the scam.

Revolut says Mr S reached out via its in-app chat on 14 June 2023 to say that he'd been scammed, that his phone had been stolen and £6,000 was transferred to a cryptocurrency site. Revolut says he said that his trusted device – his mobile phone – was stolen on 25 May 2023 but that he managed to get it back on 28 May 2023. And that £6,000 had been transferred to a cryptocurrency site and that he'd need to make more payments to have his money returned to him. Revolut also says Mr S said he'd made a further payment of £2,300 to release his funds having managed to get his phone back and having asked about the payments he then saw had left his account.

Revolut says it restricted Mr S's account on 14 June 2023 as a result of him reporting his phone as stolen and reactivated his account later on that same day. On 20 June 2023 Revolut contacted Mr S to say that it wasn't able to refund him as it had concluded that none of the transactions he'd disputed were as a result of a fraudulent takeover. In other words, Revolut didn't believe what Mr S had said about his phone having been stolen and someone else making payments to cryptocurrency before he was able to get his phone back and then forcing him to make a further payment in order to release his funds.

Mr S complained to Revolut, with the help of a representative, on 4 July 2023 saying that he'd been the victim of a romance / cryptocurrency scam. Revolut says it received Mr S's complaint on 6 July 2023 and issued a final response on 18 July 2023 saying that it wasn't upholding his complaint. Mr S's representatives weren't happy with Revolut's response and complained to us.

One of our investigators looked into Mr S's complaint and said that they didn't think Revolut ought to have had any reasons to be concerned until Mr S made his third payment – which was a payment for £3,000. Our investigator said that Mr S had told Revolut that the reason

for this particular payment was “cryptocurrency”. They didn’t think the warning that Revolut gave Mr S was particularly effective and didn’t explain the scam risks involved with this particular type of payment. Had Revolut’s warning been more tailored, our investigator thought that it likely would have prevented Mr S from making the third payment and subsequent payments. They also thought that Mr S should share some responsibility. So, they recommended that Revolut refund Mr S from the third payment onwards – less any refunds already paid – less 50% to reflect shared liability and that Revolut pay 8% interest on the refund from the date of payment to the date of settlement. Mr S was happy with our investigator’s recommendations. Revolut wasn’t. Revolut said that it had given Mr S four general warnings – about whether or not he trusted the payee – and two tailored warnings. And that it did not agree that it should be liable for Mr S’s losses. So Revolut asked for his 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.

Last month I issued a provisional decision saying that I wasn’t minded to uphold this complaint as I didn’t think additional intervention by Revolut would have made a difference. In that decision I said:

*“I’m satisfied that Mr S wasn’t truthful when he originally contacted Revolut to say that he’d been scammed. He told Revolut that his phone had been stolen, that an unknown third party had made payments to cryptocurrency whilst his phone was out of his possession and that they’d then pressured him into making a further payment once he managed to get his phone back. Revolut investigated and given the number of glaring inconsistencies in what Mr S had said decided that his phone hadn’t been stolen and all of the transactions he was claiming were his and not unauthorised as he’d suggested. Everyone now appears to agree that Mr S wasn’t originally truthful and that he was the victim of a romance / investment scam.*

*I can understand why Mr S might have been embarrassed at what had happened, and that this might be why he didn’t tell Revolut the truth. If I agree, however, with our investigator that Revolut should have intervened, then one issue I’ll have to decide is whether or not that intervention would have made a difference. I’m satisfied that Mr S told H that the purpose of his transfer to his account with Revolut was “cryptocurrency” and that H warned him that his payment could have been a scam. The warning might not have particularly resonated with Mr S – it focussed on whether or not he’d created his own cryptocurrency wallet and / or controlled it. But I’m satisfied that Mr S didn’t go ahead with that payment and set it up a second time. In other words, that H’s warning caused him to pause. That’s something, therefore, that I’m going to take into account when deciding whether or not it would have made a difference if Revolut had intervened. I also agree that dishonesty can be relevant when it comes to deciding whether or not an intervention would have made a difference.*

*That’s because if a customer successfully conceals information from a business that is trying to identify whether or not their customer is being scammed then this can make the job of the business much harder.*

*In this case I’m satisfied that Mr S spoke to the cryptocurrency platform he’d been dealing with before he spoke to Revolut. I can see that they reported the fact that they’d been scammed and that they were open and transparent about what had happened. It’s unclear why having been open and honest with the cryptocurrency*

*platform Mr S chose not to be truthful when he originally contacted Revolut. Since I've become involved, we've asked Mr S to send us a copy of the conversation he had with the scammer as that can often help us determine what a customer might have said in the event a business intervened in a particular way or shed light on the interactions between the customer and the business. His representatives have told us that he's deleted the chat with the scammer and that the chat wasn't back up. He did so despite the fact that he originally reported the fact that he'd been scammed on 4 June 2023 – that's when he emailed the relevant cryptocurrency platform – which was only a couple of days after his last payment.*

*I agree with our investigator that Revolut's interventions weren't as good as they should have been in this case. But I've seen nothing to suggest – particularly in the absence of the chat that Mr S's representative says has been deleted and given what happened when H warned him – that Mr S wasn't so "under the spell" that he would have answered Revolut in ways that would have allowed it to uncover this particular scam. For that reason, I'm minded to say I don't agree it is fair to hold Revolut liable."*

Both parties were invited to comment on my provisional decision. Only Mr S's representatives did. They said that they thought the amounts involved were such that Revolut should have intervened. I agree. And they said that the intervention should have been a human one – in other words, in-app chat. More importantly, they said that Mr S had been honest that he was sending money to cryptocurrency and it would have been obvious to Revolut that he hadn't had his phone stolen if they were talking to him on the in-app chat. So, they didn't agree he would have been dishonest had Revolut intervened and that, therefore, the scam would have come to light. They also said that the warning Mr S had received – a generic one – had given him pause to thought showing that he would have listened. And they didn't agree that Mr S was "under the spell".

I've considered what Mr S's representatives have said and I think some of their comments miss the point. In my provisional decision, I said that I was satisfied that Mr S had been dishonest when it came to some of his dealings with Revolut. That doesn't mean I was saying he would have told Revolut had it intervened that his phone had been stolen. I agree that this would have been obviously not the case. I think it's likely that he would have come up with something else that wasn't true that would have prevented Revolut from uncovering the scam – likely something the scammer would have told him to say. I remain of that view.

Given what I've just said, and in the absence, for example, of the conversation between Mr S and the scammer, I don't think additional intervention would have made a difference in this case. It also follows that I don't think Revolut missed an opportunity to prevent further loss to Mr S. And that means this isn't a complaint I can uphold.

### **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 Mr S to accept or reject my decision before 6 December 2024.

Nicolas Atkinson  
**Ombudsman**