

The complaint

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

What happened

Mr T has an account with Revolut and an account with another business who I'll refer to as "C" throughout the rest of this decision. He's had an account with Revolut since 2018.

Mr T says he reconnected with an acquaintance – who he hadn't spoken to in about 10 years – at the start of 2023. He says they started talking about setting up a business together. He says he believed this was a genuine opportunity as his acquaintance appeared to be very successful in business given his lifestyle and sent him all sorts of documentation. He says his acquaintance offered to do all the work needed to set up the business as long as he paid his share of the funding that would be necessary. In fact, they were a scammer.

Between April 2023 and October 2023 Mr T paid over £100,000 to the scammer, the majority of which he was told was needed to fund the new business they were setting up. Mr T says he borrowed £30,000 from another business to help fund these payments. He says he paid just over £90,000 from his account with Revolut to the scammer and just over £14,000 from his account with C to the scammer.

Mr T says he became suspicious in January 2024 after the scammer told him that they now had their FCA registration and then asked him for more money. Mr T says he contacted the FCA – to check on the registration – at which point he says he was told he'd almost certainly been scammed as the details the FCA had didn't match up. Mr T contacted Revolut and C to let them know, and to ask for his money back. He did so with the help of a representative.

Revolut looked into Mr T's claim and said that it had attempted to recover his money but had been unable to do so. In addition, Revolut said that its systems had warned him when he first started making payments to the scammer, but he'd chosen to go ahead with the payments. In the circumstances, Revolut said that it wasn't able to refund Mr T. C said it wasn't able to either. Mr T complained to our service.

One of our investigators looked into Mr T's complaint about Revolut and said that they didn't think it had acted unfairly. That's because our investigator didn't think it would have made a difference had Revolut done more than it did given how sophisticated this particular scam was. Mr T's representatives disagreed and asked for his complaint to be referred to an ombudsman for a decision. His complaint against Revolut 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.

In this case, I'm satisfied that Mr T made thirteen payments from his account with Revolut to the scammer he was speaking to between April 2023 and October 2023. I'm also satisfied

that the scammer made six payments to Mr T – some of which appear to be repaying loans Mr T had made to the scammer and some of which appear to be returns on the investment that Mr T believed he was making. I agree with our investigator that the payments Mr T made to the scammer that were, as far as I can see from the evidence, loans aren't payments that it would be fair to hold Revolut liable for as these payments are, in effect, part of a civil dispute between Mr T and the scammer and not part of the investment scam that he's complained about. The same applies to the payments towards an investment in relation to which Mr T appears to have received returns. I can see that Mr T's representatives don't agree with our investigator on this point, saying that the loans and investment were likely part of the scammer's overall plan to gain Mr T's trust. I agree that this is often a feature of scam cases. In this particular case, however, I agree with our investigator that this particular scam wasn't a scam that Revolut had any real prospect of uncovering. I'll explain why.

Mr T's representatives told Revolut when they complained on Mr T's behalf that he'd been scammed by an acquaintance who he hadn't spoken to for almost 10 years who had recently contacted him out of the blue. We have, however, been sent a copy of Mr T's chat history with the scammer – the chat history we have is almost 700 pages long. I can see from this chat history that Mr T were speaking in October 2022 – over six months before Mr T started making payments that he now says were part of a scam. I'm also satisfied that they'd been speaking before then as Mr T makes a comment about the scammer having "another new number" and "so many burner phones". There's over 50 pages' worth of chat before they start talking about trading and property – in other words, about potential investments. They start doing so in April 2023. In the meantime, it's clear that they meet up face to face on a regular basis and talk extensively. In April 2023 they talk, amongst other things, about cryptocurrency investment. On 5 April 2023, the scammer suggests he could help put together a private equity fund dealing in real estate which, given Mr T's profession, was an attractive idea. The scammer suggests that they could go half and half on the setting up costs and he could do the work needed to get the fund set up using his contacts. I can see that Mr T and the scammer then spoke in considerable detail about how the business would operate etc and that Mr T shared his professional insight. In order to get the fund up and running the scammer engaged well-known law firms – involving Mr T at the start – and they agreed that they'd need to register with the FCA. I'm satisfied that the scammer shared a substantial amount of documentation with Mr T and forwarded correspondence seemingly from the law firms involved and the FCA, all of which looks highly convincing. I agree with our investigator that because Mr T had known the scammer for so long – and because they'd met face to face on a large number of occasions and clearly had an in-depth relationship – and because Mr T had been sent so much documentation – all of which looks highly convincing – that any extra questioning that Revolut ought to have done wouldn't have made a difference as there was very little to suggest that this was a scam. I agree too that the answers Mr T would have given – for example, had he been asked why he was paying money to his business partner rather than to one of the law firms involved – would have been convincing. I can see too that Mr T took steps to check on the legitimacy of what he was being asked to do – for example, doing additional checks on the companies whose invoices he'd been asked to help pay. It was one of those checks – contacting the FCA after he'd been told they'd got their registration – that ultimately led Mr T to discover he'd been scammed after the FCA confirmed that the registration details he'd given didn't match with the genuine registration number he'd quoted. I'm satisfied that Mr T had concerns by the time he spoke to the FCA, but these concerns were as a result of the scammer having asked for more money and arose more than three months after the last payment he'd made.

For the reasons I've just given, I agree with our investigator that even if Revolut had asked more questions than it did it wouldn't have made a difference as the scam wouldn't have been uncovered. It follows that I agree that it wouldn't be fair to hold Revolut liable for losses that it appears Mr T has made having fallen victim to a sophisticated scam carried out by someone he'd known for years and had met in person on a large number of occasions.

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 T to accept or reject my decision before 17 April 2025.

Nicolas Atkinson
Ombudsman