

## **The complaint**

Ms F complains Revolut Ltd didn't do enough to protect her when she fell victim to an investment scam.

## **What happened**

Ms F has an account with Revolut with a debit card which she opened on 11 March 2023. Ms F says she opened the account in the course of this scam and at the suggestion of the scammer. She also has an account elsewhere with a business who I'll refer to as "H" throughout the rest of this decision.

Ms F says she saw an advert online featuring well-known figures endorsing a cryptocurrency investment company. She says one of her sons had successfully invested in cryptocurrency in the past so she clicked on a link in the advert and entered her details. Ms F says she was subsequently contacted by someone claiming to represent the company in question and that she agreed to an initial investment of €200.

Ms F says she was introduced to a financial advisor after making her initial investment. She says her financial advisor asked her to download remote access software so she could show her around the investment platform where her money had gone and also show her how she was doing. Her financial advisor also suggested that she open an account with Revolut and a cryptocurrency wallet saying that this would make it easier for her to send money to her trading account and to manage her money and keep her profits separate. Ms F says she did both with the help of her financial advisor. Ms F was, in fact, speaking to a scammer.

Ms F says she received a message from the scammer on or around 21 March 2023 saying that she'd need to invest more if she wanted her account to grow more. Ms F says the scammer suggested she take out a loan to fund the investment and that she said no. Ms F says she subsequently started receiving letters from a company saying that she owed them money and that when she checked she noticed two loans from two different companies – each for £10,000 – had been paid into her account with H, transferred to her account with Revolut and then transferred to the platform. Ms F says she realised she'd been scammed at this point. She says she confronted the scammer – who denied any wrongdoing – and then contacted Revolut and H having taken advice. She also contacted the two loan companies.

Revolut said that Ms F should raise a chargeback to recover the two payments that had left her account as both payments were card payments. Revolut subsequently said the chargeback was unsuccessful as the payments in question were transfers and so the service had been provided. In the circumstances, Revolut said that it wasn't able to refund Ms F nor was it able to uphold her complaint in the circumstances. Ms F was unhappy with Revolut's response and complained to our service. She complained to us about H's response and the two loan companies involved too.

One of our investigators looked into all four of Ms F's complaints. Having done so, our investigator said that they weren't recommending that her complaints against the two loan companies be upheld as they were satisfied that Ms F was aware of the loans and had consented to them. That meant our investigator didn't think it was unfair for those two

companies to pursue Ms F for the capital borrowed or unfair for one of those companies to charge interest and fees – the second company offered to waive interest and fees.

Our investigator recommended that Ms F's complaint about Revolut be upheld as they thought Revolut should have intervened and, had it done so, believed that the scam would have come to light. But because Ms F could have done more, and H could have done too, they recommended that a 50% deduction for contributory negligence be made and that the remaining losses be split equally between Revolut and H. In other words, they recommended that Revolut refund half of the loss it could have prevented less 50% for contributory negligence and that H do the same.

Ms F was happy with all of our investigator's recommendations and so was H. Revolut wasn't. Revolut said that the payments Ms F had made weren't unusual and were payments to an account in her own name and that it wouldn't be fair to hold Revolut liable for a loss that happened after Ms F's money had successfully arrived in her cryptocurrency wallet.

Ms F's complaints against Revolut and H were referred to an ombudsman for a decision because all parties hadn't agreed, and her complaints against the loan companies were closed. Her complaints against Revolut and H were 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.

Earlier on this month I issued a provisional decision in which I said the following:

*"In this case Revolut has said that it shouldn't be liable because the two payments that left Ms F's account went to a cryptocurrency wallet in her name, so should be considered a "me to me" case. And that Ms F only made a loss after the cryptocurrency left that wallet. In addition, Revolut has said that Ms F carried out no research before investing, and had she done so she would have seen that the FCA had published a warning about the company she was dealing with in February 2023. I can see that this is the case, and that this warning was published more than a month before Ms F's first payment.*

*I can understand why Revolut has said what it's said in this case, but I don't necessarily agree. As Revolut knows, we would expect a business like it to have had systems in place at the time these transactions took place to detect unusual or concerning payments. And to be aware of multi-stage fraud scams like this one. So, I agree with our investigator that Revolut ought fairly and reasonably to have done more than it did in this case and asked Ms F about the context and purpose of the payments she was making. They were sufficiently large and were going to cryptocurrency that they ought fairly and reasonably to have been concerning.*

*Had Revolut done so, I agree that Revolut would have quickly established that Ms F was dealing with a company who the FCA had recently published a warning about – and about which there was a lot of negative information – and the scam would have come to light.*

*Our investigator recommended that Ms F's complaint about Revolut be upheld. But because Ms F could have done more, and H could have done too, they recommended that a 50% deduction for contributory negligence be made and that the remaining losses be split equally between Revolut and H. In other words, they recommended that Revolut refund half of the loss it could have prevented less 50% for contributory*

*negligence and that H do the same. Those losses include the interest and charges one of the loan companies has charged. I think the outcome recommended by our investigator is broadly speaking right, but it's not in line with our approach these days. I'll explain what this means.*

*In a case like this where we think a customer should share liability because of contributory negligence and two other businesses are equally at fault then our starting point would be to split liability on a 34 / 33 / 33 basis. I see no reason to depart from that approach in this case. That means Revolut will need to refund 33% of Ms F's losses rather than 25%. In a case like this ideally we would have left the complaint about the loan companies open. We haven't, but I don't agree that asking Revolut to pay 25% of the interest and charges on one of the two loans is the right approach. So, I'm minded to require Revolut to instead pay the usual 8% simple per annum interest on the refund that relates to the loan on which interest and charges continues to be applied."*

Both parties were invited to reply. Only Ms F did – she accepted my provisional decision.

Having reconsidered everything again, I remain of the view that the outcome in my provisional decision is fair and reasonable for the reasons I gave.

### **Putting things right**

Given what I've said, I'm going to require Revolut Ltd to refund 33% of the loss it could have prevented. In addition, I'm going to require Revolut Ltd to pay 8% simple per annum interest on the refund that relates to the loan on which interest and charges continues to be applied.

### **My final decision**

My final decision is that I'm upholding this complaint and require Revolut Ltd to refund 33% of the loss it could have prevented. In addition, I require Revolut Ltd to pay 8% simple per annum interest on the refund that relates to the loan on which interest and charges continues to be applied.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms F to accept or reject my decision before 13 December 2024.

Nicolas Atkinson  
**Ombudsman**