

The complaint

Mrs C complains that Revolut Ltd (Revolut) is refusing to refund her the amount she lost as the result of a scam.

Mrs C has previously been represented by a third party. To keep things simple, I will refer to Mrs C throughout my decision.

What happened

The background of this complaint is well known to all parties, so I won't repeat what happened in detail.

In summary Mrs C found an advertisement on social media for a cryptocurrency investment company I will call X that gave information about trading, and that it was possible to make a reasonable return doing so. Interested in the opportunity Mrs C clicked on the link and completed an enquiry form with her personal information.

Mrs C then received a call from X. X explained the process of investing and introduced Mrs C to its investment platform. Mrs C was required to make a payment of £250 to start the investment process which she made from an account she held elsewhere.

Mrs C was required to provide proof of her identification that she says made X seem even more legitimate before she was provided access to a professional looking trading platform. As part of the investment process Mrs C was also required to open an account with a cryptocurrency exchange.

X then provided various training materials to Mrs C which encouraged her to make further payments into the investment guided by X using remote access software.

Having made several payments Mrs C was told that mistakes had happened on her account and further payments would have to be made. Mrs C says she felt pressured to make the payments and so did as X advised her to do.

After sending several more payments X continued to state mistakes had been made and that further payments were required. Mrs C says she realised at this stage that she had fallen victim to a scam.

Mrs C made the following payments in relation to the scam:

Payment	Date	Payee	Payment Method	Amount
1	28 April 2023	Moonpay	Transfer	£1,000.00
	5 May 2023	<i>Moonpay Declined</i>	<i>Transfer</i>	<i>€5,000.11</i>
	5 May 2023	<i>Moonpay Declined</i>	<i>Transfer</i>	<i>€5,000.11</i>
2	5 May 2023	Wallbitex Exchange	Transfer	£4,363.44
3	5 May 2023	Wallbitex Exchange	Transfer	€3,434.55

4	15 May 2023	Moonpay	Transfer	£5,000.00
5	15 May 2023	Wallbitex Exchange	Transfer	£4,345.85
6	15 May 2023	Wallbitex Exchange	Transfer	£2,085.11
7	22 May 2023	Moonpay	Transfer	£1,500
8	2 June 2023	Moonpay	Transfer	£1,000
9	7 June 2023	Moonpay	Transfer	£5,000
10	13 June 2023	Moonpay	Transfer	£5,000
11	14 June 2023	Moonpay	Transfer	£2,982
12	15 June 2023	Moonpay	Transfer	£2,900
	16 June 2023	Wallbitex Declined	Transfer	€4,633.65
13	16 June 2023	Wallbitex Exchange	Transfer	€4,633.65
14	20 June 2023	Wallbitex Exchange	Transfer	£1,484.29
15	27 June 2023	Moonpay		£1,622.00cr
16	28 June 2023	Wallbitex Exchange	Transfer	£1,859.55
17	21 July 2023	Wallbitex Exchange	Transfer	£1,989.96

Our Investigator considered Mrs C's complaint and didn't think it should be upheld. Mrs C didn't agree, so this complaint has been passed to me to decide.

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.

It has not been disputed that Mrs C has fallen victim to a cruel scam. The evidence provided by both Mrs C and Revolut sets out what happened. What is in dispute is whether Revolut should refund the money Mrs C lost due to the scam.

Recovering the payments Mrs C made

Mrs C made payments into the scam via transfer. When payments are made by transfer Revolut has limited options available to it to seek recovery. Mrs C made the payments in exchange for cryptocurrency that was then forwarded to the scam. As the payments Mrs C made were legitimate Revolut would not be able to recover the payments she made from the recipient accounts.

Should Revolut have reasonably prevented the payments Mrs C made?

It has been accepted that Mrs C authorised the payments that were made from her account with Revolut, albeit on X's instruction. So, the starting point here is that Mrs C is responsible.

However, banks and other Payment Services Providers (PSPs) do have a duty to protect against the risk of financial loss due to fraud and/or to undertake due diligence on large transactions to guard against money laundering.

The question here is whether Revolut should have been aware of the scam and intervened when the payments were made. And if it had intervened, would it have been able to prevent the scam taking place.

On 5 May 2023 Mrs C attempted two relatively large payments to a cryptocurrency exchange that were declined. Mrs C then attempted another similar sized payment to another exchange that was successful.

Considering the value of these payments and that they were clearly being attempted to a known cryptocurrency exchange, which Revolut would have known at the time carried a

higher risk, I think Revolut should have had concerns and intervened.

I think that a proportionate intervention would have been for Revolut to discuss the payments with Mrs C via its online chat facility in an attempt to uncover the background to the payments and the potential risk associated with them.

Although I think Revolut should have done more I don't think an appropriate intervention like I've described above would have made a difference.

I say this because Mrs C made payments from an account, she held at another bank to her Revolut account in connection with the scam, and that bank intervened several times discussing the payments with her. I have listened to a recording of the conversations.

During the calls Mrs C said she was making payments to another of her accounts to support her family and confirmed she was not dealing in cryptocurrency at all. This was despite being warned that the bank sees scams that involve their customers being asked to move their funds to Revolut before buying cryptocurrency.

Mrs C has confirmed that the reason she wasn't forthcoming when making the payments was because X was guiding her on what to say.

Considering the above I think it's unlikely that any intervention from Revolut would have uncovered the scam. I think it's most likely X would have guided Mrs C with what to say had Revolut intervened and like with her other bank, Mrs C would have complied with its instructions. I don't have enough to say Mrs C would have answered Revolut's questions any more honestly than she did her other account provider.

With the above in mind, I don't think Revolut missed an opportunity to prevent the scam, so it is not responsible for Mrs C's loss.

My final decision

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs C to accept or reject my decision before 17 January 2025.

Terry Woodham
Ombudsman