

Complaint

Mr B is unhappy that Revolut Ltd didn't reimburse him after he told it he'd fallen victim to an investment scam.

Background

In November 2023, Mr B came across an advert on social media. It was promoting an investment opportunity that involved the use of an artificial intelligence tool. He says it appeared to be endorsed by a well-known public figure. The advert suggested that significant profits could be achieved from a small initial investment, and Mr B recalls that it claimed this individual had personally invested in the opportunity. Mr B says he was interested and conducted some online research. He followed a link from the advert, downloaded an app, and created an account.

Shortly after registering, Mr B received a phone call from someone claiming to represent the trading company. He was told he could invest a small amount – as little as £200 – and be assigned a financial advisor who would guide him through the process. Mr B agreed and transferred £210.18 from another bank account on 16 November 2023. He didn't know it at the time, but the person who called him wasn't a genuine financial advisor – they were a fraudster.

The scammer encouraged Mr B to download various apps, including one for Revolut and another for cryptocurrency trading. On 17 November 2023, Mr B was instructed to pay £50 into his new account and withdraw it again, which he says reassured him that the system worked. He appeared to have earned quite generous returns on his initial £200 investment and this persuaded him to invest further. On 21 November 2023, he transferred £4,503 from his account to an account he was told belonged to the investment company. He made another transfer of £4,523 the next day.

On 23 November 2023, Mr B requested a withdrawal. He was told he'd have to pay 20% of the withdrawal amount to complete an advanced verification check. He made a series of payments of around £1,000 each, believing this was necessary to receive his funds. These payments were all made to an account held with a third-party cryptocurrency exchange. Those funds were then converted into cryptocurrency and transferred into the control of the fraudster.

Mr B was later told that the funds were being held due to anti-money laundering (AML) checks and that he'd need to pay a further 91% of the investment value – about £17,000 – to complete verification. Mr B tried to make the payment from an account he held with another bank. However, that bank blocked the transaction. At this point, Mr B realised he had been scammed. He complained to Revolut, but it declined to refund him.

Mr B wasn't happy with that outcome and so he referred his complaint to this service. An Investigator considered the complaint but did not uphold it. As Mr B disagreed with that outcome, the case was passed to me for a final decision.

Findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

In broad terms, the starting position at law is that a firm is expected to process payments and withdrawals that a customer authorises, in accordance with the Payment Services Regulations (in this case, the 2017 regulations) and the terms and conditions of the customer's account. However, that isn't the end of the story. Good industry practice required that Revolut be on the lookout for account activity or payments that were unusual or out of character to the extent that they might indicate a fraud risk. On spotting such a payment, I'd expect it to take proportionate steps to protect its customer. That might be as simple as providing a written warning as part of the payment process or it might extend to making contact with the customer to establish the circumstances surrounding the payment.

Revolut did intervene in connection with several of the payments here and contacted Mr B to establish the wider circumstances. Mr B didn't provide accurate information regarding the payments when Revolut asked him about them. For example, the first two payments he made went to named individuals. Mr B attached references to those payments that suggested he was paying someone for freelance work. He also told Revolut that one of the payments was *"for a service to a friend, and the service was fully honoured from his side."*

The later payments were made to an account in his name held at a third-party cryptocurrency exchange. When Revolut queried these payments, it did provide him with a warning that was relevant to his circumstances. It sent him a message in the Revolut app that said:

*"Please take some minutes to read some red flags that can indicate you are being a victim of fraud ... * You're contacted out of the blue by phone, email or social media about an investment opportunity. * You're offered with [sic] a high return on your investment with apparently little or no risk. [...] You're requested to open an account under a cryptocurrency investment platform ... and send the funds to that account."*

Several of these factors were present in Mr B's case – the opportunity had come to his attention on social media, he was apparently earning high returns and he'd been directed to create an account on a third-party platform. Unfortunately, this warning didn't resonate with Mr B. He was increasingly frustrated by the barriers being put in the way of his attempts to send his money. He messaged Revolut and said *"...I am simply trying to move money to my other account."* He went on to say *"I don't mean to be rude but it's my personal account. I am not willing to share any more of my personal details regarding [it]..."*

I understand Mr B acted in the way he did because he was being manipulated by the fraudster. I can see messages in which the fraudster criticised Revolut for *"getting inside your head, making you question everything..."* and this went on to influence the way he communicated with it. I can understand why Mr B might feel that Revolut didn't do enough, or the quality of its interventions were inadequate. However, I'm not persuaded that it would've made a difference even if it had handled things differently.

I don't say any of this to downplay or diminish the fact that Mr B has fallen victim to a cruel and cynical scam. I have a great deal of sympathy for him and the position he's found himself in. However, my role is to look at the actions and inactions of Revolut and I'm not persuaded it did anything wrong here.

Final decision

For the reasons I've explained above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 18 April 2025.

James Kimmitt
Ombudsman