

The complaint

Mr P complains that Revolut Ltd hasn't protected him from losing money to an investment scam.

What happened

The background to this complaint is well known to both parties, so I won't repeat everything here. In brief summary, Mr P has explained that in May 2022 he made seven debit card payments from his Revolut account to crypto exchanges ultimately to fund what he thought was a legitimate investment. The payments, inclusive of payment fees, totalled £21,925.06, as follows.

Payment number	Date	Payment amount (£)	Payment fee (£)	Total (£)
1	10 May 2022	1,987.87	4.94	1,992.81
2	17 May 2022	4,206.15	21.03	4,227.18
3	17 May 2022	4,208.27	21.04	4,229.31
4	17 May 2022	1,519.02	7.60	1,526.62
5	23 May 2022	4,251.72	21.26	4,272.98
6	23 May 2022	3,062.28	15.31	3,077.59
7	24 May 2022	2,585.64	12.93	2,598.57
Totals		21,820.95	104.11	21,925.06

Mr P subsequently realised he'd been scammed and got in touch with Revolut. Ultimately, Revolut didn't reimburse Mr P's lost funds, and Mr P referred his complaint about Revolut to us. As our Investigator couldn't resolve the matter informally, the case has been passed to me for a decision.

I sent Mr P and Revolut my provisional decision on 8 November 2024 explaining why I wasn't intending to uphold this complaint. Now that the parties have had fair opportunity to respond, I'm ready to explain my final decision.

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.

Revolut didn't respond to my provisional decision. Mr P's representative responded though, and I've thought carefully about what they've said. But I must decide this case on its own merits, and the points made have not caused me to change my mind. I've reached the same conclusions as in my provisional decision, and for the same reasons, which I've explained again below.

First, let me say, I don't doubt Mr P has been the victim of a scam here. He has my sympathy. Ultimately, however, Mr P has suffered his loss because of fraudsters, and this doesn't automatically entitle him to a refund from Revolut. It would only be fair for me to tell

Revolut to reimburse Mr P his loss (or part of it) if I thought Revolut reasonably ought to have prevented the payments (or some of them) in the first place, or Revolut unreasonably hindered recovery of the funds after the payments had been made; and if I was satisfied, overall, this was a fair and reasonable outcome.

Prevention

Having taken into account longstanding regulatory expectations and requirements, and what I consider to be good industry practice, I agree Revolut ought to have been on the look out for the possibility of fraud and made additional checks before processing payments in some circumstances.

Revolut didn't find any of Mr P's payments suspicious – it didn't pause or decline any of Mr P's payments to make further enquiries, or provide him with any fraud and scams warnings. I think Revolut should have. But I'm not persuaded this would have prevented Mr P's loss.

I say this because Mr P's Revolut account was opened on 10 April 2022. Prior to the scam payments, Mr P had already made some small payments for cryptocurrency on Revolut's own platform (which continued during the period of the scam payments too). These were small amounts. But they reasonably might have given the impression that cryptocurrency was something that wouldn't be unusual for Mr P to make future payments for. There also wasn't a sufficiently material account history yet for Revolut to know what size payments might be unusual or uncharacteristic for Mr P. So whilst this didn't absolve Revolut of its responsibilities to reasonably and proportionately intervene in scam payments, I wouldn't have expected Revolut to have done more here than provide Mr P with a tailored written warning about fraud and scams when he instructed payment 2 or 3, and then again on payment 5 or 6.

However, I understand Mr P had received a withdrawal which made him feel confident he was dealing with a legitimate company, and he was subject to social engineering whereby the scammer gained Mr P's trust through regular conversations about investments and their personal lives, and Mr P felt they were becoming friends. I understand Mr P has explained that because he was first transferring the money to third party apps (before transferring it to his 'trading account'), he felt reassured as they were apps he was able to download from Apple Store on his phone and they were well-known apps. Mr P has also said the scammer would talk to him over the phone and help him make the payments. So I think it's most likely that on Revolut's tailored written warnings, either these wouldn't have made Mr P think twice, or else he would have reverted to the scammers for advice, and would likely have been reassured and proceeded nonetheless.

Recovery

After these payments were made, because they were debit card payments, the only potential avenue to recover them would have been through the chargeback scheme. However, Mr P didn't make the debit card payments to the scammers. Instead, he made them to legitimate crypto exchanges, which would have provided the services intended. So Revolut could only have brought chargeback claims against the crypto exchanges (and not the scammers) but these wouldn't have succeeded given the circumstances. So I can't say Revolut unreasonably hindered recovery of the funds.

Whilst Mr P has undoubtedly been the victim of a cruel scam, I can only uphold his complaint if I'm satisfied Revolut's failings made a material difference to what happened. For the reasons given, I'm not persuaded it would have.

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 27 December 2024.

Neil Bridge
Ombudsman