

The complaint

Mr I complains that Revolut Ltd (Revolut) is refusing to refund him the amount he lost as the result of a scam.

Mr I is being represented by a third party. To keep things simple, I will refer to Mr I 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, Mr I has told us he received a cold call from an investment company I will call X in May 2023. Mr I had previously been looking for investment opportunities so the call was not unexpected.

X explained to Mr I that it used AI to get the best returns on investments and encouraged Mr I to open an account with it. Mr I provided Identification documents to X as requested and was told an account manager would be in touch.

While Mr I was waiting for a call he did an online search of X but says he was unable to find anything negative. So, when X called him back Mr I decided to proceed with the investment.

Mr I was required to download remote access software so that X could help him through the process of opening a cryptocurrency account from which Mr I was required to purchase cryptocurrency and send it to an investment platform X had given him access to.

After making several payments into the scam X encouraged Mr I to make larger payments with the promise of higher returns.

Mr I says it appeared he had made a substantial profit in a short time and his balance with X stood at around £50,000 so he decided to make a withdrawal. However, X's website crashed, and X asked Mr I to make even further payments. Mr I declined to make the payments as he had no further funds available.

X then ceased communicating with Mr I and he realised he had fallen victim to a scam. Mr I therefore reported the payments to Revolut as scam payments and it was confirmed Mr I had fallen victim to a scam.

Mr I was contacted again by X and it was explained it could recover his funds, but that further payment would need to be made first. Mr I says he made an additional payment out of desperation but again did not receive anything in return. This additional payment was not raised with Revolut until Mr I brought his complaint to our service.

Mr I made the following payments in relation to the scam:

Payment	Date	Payee	Payment Method	Amount
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1	18 May 2023	Binance	Debit Card	£1,000
2	19 May 2023	Binance	Debit Card	£2,000
3	19 May 2023	Binance	Debit Card	£1,000
4	22 May 2023	Binance	Debit Card	£5,000
5	22 May 2023	Binance	Debit Card	£1,350
6	23 May 2023	Binance	Debit Card	£5,000
7	23 May 2023	Binance	Debit Card	£1,000
8	24 May 2023	Binance	Debit Card	£1,600
9	6 June 2023	Binance	Debit Card	€2,000

Our Investigator considered Mr I's complaint and didn't think it should be upheld. Mr I disagreed, 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 Mr I has fallen victim to a cruel scam. The evidence provided by both Mr I and Revolut sets out what happened. What is in dispute is whether Revolut should refund the money Mr I lost due to the scam.

Could Revolut have done anything to recover Mr I's money?

As the payments were made by card and sent to a cryptocurrency account held in Mr I's name, Revolut would not have been able to recover the funds. I don't consider that a chargeback would have had any prospect of success given there's no dispute that the cryptocurrency was provided to Mr I, which he subsequently sent to the fraudsters.

Should Revolut have reasonably prevented the payments Mr I made?

It has been accepted that Mr I authorised the payments that were made from his account with Revolut, albeit on X's instruction. So, the starting point here is that Mr I 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 Mr I made the payments he has disputed. And if it had intervened, would it have been able to prevent the scam taking place.

The first payments Mr I made in relation to the scam were for relatively low values that at most I would have expected to have prompted Revolut to provide a written warning about the risks associated with cryptocurrency related payments. But when Mr I made payment 4 he was making a payment for a more significant value and I think Revolut should have had further concerns, and it should have questioned Mr I about the payment, for example by directing him to its in-app chat facility.

Mr I has told us that most of the conversations he had with X were via WhatsApp and telephone call. Mr I has since deleted the conversations and been unable to recover them.

Given I do not have the chats between X and Mr I, I don't know exactly how their relationship was at this point, or what was said or promised to persuade Mr I to make a further payment despite being aware that he was being scammed. But I do know that it was persuasive

enough to make Mr I send more money even after knowing he was being scammed. So, taking this into consideration I simply don't have enough to say that X would not have been able to do the same had Revolut intervened earlier in the scam, or that the scam would have been prevented.

So, with the above in mind, I don't think Revolut missed an opportunity to prevent the scam and it is not responsible for Mr I's loss.

My final decision

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr I to accept or reject my decision before 14 February 2025.

Terry Woodham
Ombudsman