

The complaint

Mr G's complaint is about Revolut Ltd's refusal to reimburse him money he says he lost due to a scam.

Mr G is represented by The Claims Experts Ltd (*trading as*) Impakt Claims in this matter. However, I will refer to Mr G solely in this decision for ease of reading.

What happened

Mr G is a customer of Revolut. In short, Mr G says he has fallen victim to a cryptocurrency investment scam. He says that a fraudster who had messaged him on WhatsApp tricked him into making payments to what he thought was a legitimate investment via 'KuCoin'. The payment transactions in question are:

Payment Number	Date	Time	Merchant	Payment Method	Amount
1	25 August 2023	15:35	Crypto.com	Card	£0.10 (reverted)
2	25 August 2023	15:45	Crypto.com	Card	£4,217.31
3	25 August 2023	15:58	Crypto.com	Card	£4,778.74
4	6 September 2023	17:55	Crypto.com	Card	£3,192.69
5	7 September 2023	16:02	Crypto.com	Card	£6,179.40
6	9 September 2023	19:32	Coinbase	Card	£300
7	10 September 2023	13:51	Coinbase	Transfer	£50
8	10 September 2023	13:55	Coinbase	Transfer	£2,950
9	12 September 2023	14:44	Moonpay	Card	£3,125.43
10	16 September 2023	09:12	Moonpay	Card	£1,500
11	19 September 2023	13:57	Moonpay	Card	£2,000
12	19 September 2023	21:53	Moonpay	Card	£1,690

In addition to the above, there were about 22 attempted card payments to Moonpay and Crypto.com. These were stopped by Revolut for internal reasons.

Mr G disputed the above with Revolut. When it refused to reimburse him, he raised a

complaint, which he also referred to our service.

One of our investigators considered the complaint and did not uphold it. In summary, he thought Revolut should have intervened in Payment 3 and done more to establish the circumstances surrounding the payment. However, the investigator also felt that had Revolut done so, it would not have made a difference. Mr G rejected the investigator's findings stating, in short, that Revolut missed an opportunity to protect him from financial harm.

As Mr G did not accept the investigator's findings, this matter has been passed to me to make a decision.

It should be noted that Mr G also made payments in relation to the scam from an account he holds with HSBC. Mr G has raised a complaint about this, which is being dealt with separately.

What I have 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.

Having done so, I agree with the outcome reached by the investigator at first instance for the reasons I set out below.

But first, I would like to say at the outset that I have summarised this complaint in far less detail than the parties involved. I want to stress that no discourtesy is intended by this. If there is a submission I have not addressed, it is not because I have ignored the point. It is simply because my findings focus on what I consider to be the central issues in this complaint.

Did any of the payment transactions indicate Mr G might be at risk of financial harm?

It is not in dispute that Mr G authorised the payment transactions in this matter. Generally, consumers are liable for payment transactions they have authorised. However, that is not the end of the story. This is because even if a payment is authorised, there are regulatory requirements and good industry practice which suggest firms – such as Revolut – should be on the look-out for unusual and out of character transactions to protect their customers from financial harm. And, if such payment transactions do arise, firms should intervene before processing them. That said, firms need to strike a balance between intervening in a customer's payment to protect them from financial harm, against the risk of unnecessarily inconveniencing or delaying a customer's legitimate transactions.

I have borne the above in mind when considering the payment transactions in this matter.

Payments 2 and 3

I am persuaded that Payment 2 or 3 at the latest (set out above) were unusual and out of character. I say this because of the value of the transactions and the fact they were identifiably going to a cryptocurrency platform.

Given the above aggravating factors, I think there was an identifiable risk. Therefore, Payment 2/3 should have triggered Revolut's fraud detection systems; prompting it to intervene before releasing the transaction to try to protect Mr G from financial harm. I am mindful of the fact that Payment 2/3 occurred post the FCA's Consumer Duty. I have taken this together with the aggravating factors present.

In doing so, my view is that a proportionate intervention to the risk identified should have been a scam warning tailored to the likely cryptocurrency related scam Mr G was at risk from. For example, a warning asking a series of automated questions designed to narrow down the type of cryptocurrency related scam risk associated with the payment transaction being made.

Revolut failed to do this.

Would an intervention have made a difference?

As I have taken the view that Payment 2/3 should have triggered an intervention by Revolut, I must now turn to causation. Put simply, I need to consider whether Revolut's failure to intervene caused Mr G's loss. To do this, I need to reflect on whether such an intervention (described above) would have made any difference. Having done so, I am not persuaded that it would have. I take the view that, on the balance of probabilities, Mr G would have frustrated Revolut's attempt to intervene; and would have alleviated any concerns Revolut had.

I have reached this view for the following reasons.

Firstly, turning to the available WhatsApp messages between Mr G and the fraudster, 'Alexa'. The periods of these messages are: 26 July 2023, and 15 September 2023 to 13 November 2023. These messages have assisted me with considering how taken in by Alexa Mr G was, and what would have likely happened had Revolut intervened in Payment 2/3. From the messages available, they suggest to me that Mr G had developed strong feelings for Alexa and fully trusted her during the period concerned. For example, in several of the messages, Mr G expressed his love for Alexa, which she responded to in kind.

Secondly, turning to the missing WhatsApp messages between Mr G and Alexa. From what I can see, Alexa first contacted Mr G on 26 July 2023. I have been provided with a copy of this message chain, but Mr G has not been able to provide messages for the period between 27 July 2023 and 14 September 2023. I do not want to assume the content of these missing messages. However, what is clear to me is that whatever was discussed during this 'missing period' – must have been significant in terms of the development of Mr G's trust and feelings for Alexa. I say this because when I can pick back up the messages from 15 September 2023, I can see that Mr G had made some significant payments under the instruction of Alexa. For these reasons, I think it would be reasonable to suggest that whatever Alexa said/did to put Mr G under her spell during the missing period – would have played a part in frustrating any intervention from Revolut.

Thirdly, Mr G told the investigator at first instance that he had deleted the missing messages at the time of the scam because he did not want to be contacted by Alexa further. However, I am sure that most would agree that this would not be the method to engage to prevent someone contacting you. Further, Mr G has clearly kept some messages between himself and Alexa for certain date periods. This point contradicts Mr G's assertions about why he 'deleted' Alexa's messages. For these reasons, I have some concerns about the credibility of Mr G's testimony on this point.

Fourthly, I can see Mr G contacted Revolut on 7 November 2023 about the scam on advice from Action Fraud. However, from a WhatsApp message I can see on 11 November 2023, it appears as if Mr G was still prepared to transfer money to Alexa – despite him contacting Revolut four days earlier expressing his concerns.

Ultimately, Mr G made significant cryptocurrency related payments on the advice of a person who had messaged him out of the blue on WhatsApp. An individual whom he had never met

in person. Although there are missing messages, it is clear to see that Mr G had fallen for Alexa which resulted in his feelings for her progressing rapidly. The nature of the messages suggest that Mr G thought he was in a romantic relationship – something I have no doubt Alexa manipulated Mr G into thinking so he could make the payments he did. Further, as I am in the ‘dark’ regarding the period of the missing messages, I cannot safely conclude that an intervention from Revolut would have been successful. For example, given the particular facts of this case, it would not be unreasonable to suggest that Alexa may have ‘coached’ Mr G on what to say/do had there been any intervention from Revolut.

In my judgment, the above are a combination of persuasive factors. When taken as a whole, they suggest that if Revolut had intervened (see above) in Payment 2/3: it is likely Mr G would have frustrated this; and would have alleviated any concerns Revolut had. I also find that the result would have likely been the same had there been a human intervention from Revolut (although I do not accept that such an intervention was necessary for Payment 2/3).

Other payment transactions

I have thought about whether the other payment transactions in this matter should have triggered Revolut’s fraud detection systems prompting it to intervene. Having done so, I think an argument could be made to suggest that some of them should have triggered – particularly given the amount of failed payment attempts. However, I am not persuaded that such interventions would have been successful for the reasons I have set out above in relation to Payment 2/3.

Recovery of funds

As Mr G’s payments were made to purchase cryptocurrency – which would have been forwarded on in this form – there would not have been any funds to recover. So, I am satisfied that it is unlikely Revolut could have done anything to recover Mr G’s funds.

Further, the service of exchanging Mr G’s funds into cryptocurrency was provided by the exchanges. Therefore, I am not satisfied that there was any reasonable prospect of success had Revolut raised a chargeback – under the relevant scheme – on behalf of Mr G regarding his card payments.

Conclusion

Taking all the above points together, I do not find that Revolut has done anything wrong in the circumstances of this complaint. Therefore, I will not be directing Revolut to do anything further.

My final decision

For the reasons set out above, my final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I’m required to ask Mr G to accept or reject my decision before 10 March 2025.

Tony Massiah
Ombudsman