

The complaint

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

Mr B is being represented by a third party. To keep things simple, I will refer to Mr B 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 B found an advertisement for a company I will call "X" online that specialised in cryptocurrency investment. Mr B clicked on the link and was directed to X's platform which looked very professional. Interested in the potential investment opportunity Mr B completed his details via an online data caption form.

Meanwhile Mr B carried out some online research about X and was unable to find any negative information that would have caused him to have concerns.

Mr B then received a message from an individual I will call "Y" that introduced himself as an IFA. Y explained that X was not publicly traded and individual IFA's with their own portfolios were allocated to managing each client individually.

Mr B then carried out further online research around the information Y had provided which appeared to check out. Y was also able to answer any questions Mr B had about the investment which made Mr B feel confident the investment opportunity was genuine. Mr B was told that Y would be trading for him and the more he invested the greater his returns would be.

Mr B was then assisted via remote access software he was directed to download by Y to his device to open an account with a cryptocurrency exchange. Mr B was also provided with a link to follow to setup an account with X, and once his account was open with X, he made an initial small payment from an account he held elsewhere which he was able to see on X's platform immediately.

Following the initial payment Mr B was advised by Y to open an account with Revolut so payments could be processed into X's platform smoothly. Mr B was then able to monitor his investment and was told profits would be as much as 50%.

Mr B continued to invest increasing amounts on the basis that he would be able to increase his profits. He was able to see that most of his trades were showing a profit with just a few not performing as well.

Mr B has told us that at times Revolut did intervene when he was making payments, but he was coached by Y on how to respond to Revolut's questions and the payments were processed.

Messages between Mr B and Y continued on a regular basis and in late June 2023 Y explained to Mr B that he would have to set up an escrow wallet to prove he wasn't laundering money. As Mr B was struggling to make further substantial payments Y suggested that half of the required amount could come from the profits, he had made investing, and he could make a payment for the remaining amount.

Mr B asked Y to document the request in an email and to provide details of his manager but Y cut all communication with Mr B and he realised he had fallen victim to a scam.

Mr B made the following payments in relation to the scam to purchase cryptocurrency via peer to peer transactions with the cryptocurrency exchange:

<u>Payment</u>	<u>Date</u>	<u>Payee</u>	<u>Payment Method</u>	<u>Amount</u>
1	5 May 2023	P2P 1	Transfer	£1,000
2	6 May 2023	P2P 1	Transfer declined	£8,000
3	7 May 2023	P2P 2	Transfer	£5,000
4	7 May 2023	P2P 2	Transfer	£3,000
5	8 May 2023	P2P 1	Transfer	£50,000
6	8 May 2023	P2P 1	Transfer	£50,000
7	9 May 2023	P2P 1	Transfer	£50,000
8	9 May 2023	P2P 1	Transfer	£12,000
9	17 May 2023	P2P 1	Transfer	£50,000
10	17 May 2023	P2P 1	Transfer	£50,000
11	6 June 2023	P2P 3	Transfer	£3,500
12	6 June 2023	P2P 3	Transfer	£1,515
13	6 June 2023	P2P 3	Transfer	£5,050
14	6 June 2023	P2P 4	Transfer refunded	£5,000
15	6 June 2023	P2P 3	Transfer	£1,414
16	6 June 2023	P2P 3	Transfer	£1,515
17	6 June 2023	P2P 3	Transfer	£2,121
18	6 June 2023	P2P 3	Transfer	£3,535
19	6 June 2023	P2P 3	Transfer	£1,515
20	6 June 2023	P2P 3	Transfer	£3,535
21	6 June 2023	P2P 3	Transfer	£1,515
22	6 June 2023	P2P 3	Transfer	£2,525
23	6 June 2023	P2P 3	Transfer	£2,525
24	7 June 2023	P2P 5	Transfer	£5,000
25	7 June 2023	P2P 5	Transfer	£10,000
26	7 June 2023	P2P 6	Transfer	£25,000
27	13 June 2023	P2P 7	Transfer	£15,000
28	20 June 2023	P2P 3	Transfer	£3,737
29	20 June 2023	P2P 3	Transfer	£3,737
30	20 June 2023	P2P 3	Transfer	£505
31	20 June 2023	P2P 8	Transfer	£12,100

Our Investigator considered Mr B's complaint and didn't think it should be upheld. Mr B 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.

Recovering the payments Mr B made

Mr B made payments into the scam via transfer and has confirmed the payments were made as peer-to-peer payments in exchange for cryptocurrency that was then forwarded as part of the scam.

The payments Mr B made weren't made to the scammer directly. As there is no dispute that Mr B was provided with cryptocurrency in exchange for the payments he made and that these funds were then sent to the scammer any attempt to recover the payments Mr B made would have little prospect of success.

Should Revolut have reasonably prevented the payments Mr B made?

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

Firstly, I don't think Revolut would have had concerns about the first payment Mr B made in relation to the scam the value of the payment was not so significant that it posed a high risk of financial harm.

However, Revolut did intervene when Mr B attempted to make payment 2 for the higher value of £8,000 which was declined and a conversation between Revolut and Mr B took place.

During the above-mentioned chat conversation Mr B confirmed:

- He had not downloaded a screen sharing application.
- He was not advised to open a Revolut account after learning about an investment opportunity via social media.
- He had not received any unsolicited calls or messages recently telling him he needed to move his money to a safe account or to create a Revolut account for investment purposes.
- He decided which cryptocurrency platform to use by doing his own research.
- He had been investing in cryptocurrency for one year.
- He was using Revolut as he had done his own research and found good reviews.

It's clear from the information Mr B provided to Revolut that he was willing to provide false information to proceed with payments in relation to the scam.

On 16 June 2023 Mr B's Revolut account was restricted, and a conversation took place via Revolut's chat facility.

Revolute told Mr B:

'...I am contacting you urgently today because I believe it is highly likely that the transactions you are attempting to make are part of a SCAM. We've recently spoken with another

customer who attempted very similar transactions to yours – they confirmed it was a scam. Please assist me with this review, we want to keep your funds safe and secure.'

It is very clear from this message that Revolut was telling Mr B that he should be concerned about the risk associated with the payments he was making. But Mr B went on to confirm:

- He had not recently downloaded any screen sharing applications.
- He was not advised to open a Revolut account after learning about an investment opportunity via social media.
- He had not received any unsolicited calls or messages recently telling him he needed to move his money to a safe account or to create a Revolut account for investment purposes.
- He decided which cryptocurrency platform to use by doing his own research.
- He had been investing in cryptocurrency for one year.

Mr B was clearly giving false information again despite Revolut being very clear it had concerns about the risk associated with the payment Mr B had been making.

Mr B was then provided with information about red flags that could indicate his was falling victim to a scam this included:

- You are contacted out of the blue about an investment opportunity offering high returns with little risk.
- You can not access funds under the investment platform that was provided to you.
- You're requested to open an account under a cryptocurrency investment platform and send funds to that account.
- You are asked to provide sensitive and personal information.
- You are asked to install screen sharing applications to help you with movements.
- You are being advised on how to reply to us on chat.

Given the circumstances surrounding Mr B's payments and that he was being coached how to answer Revolut's questions I think the above warnings should have resonated with Mr B but he simply confirmed he had read the red flags advice and continued to make further payments.

For each of the payments Mr B made he was required to select a payment reason from a list of reasons. Although there were options to select either "investment" or "Crypto Currency" which accurately reflected the payments Mr B was making he instead chose the option of "Safe account" and "Something else". Mr B was then given a selection of screens relevant to the risks associated to these payment reasons.

I can't think of any legitimate reason why someone would be sending a payment to a "safe account" so I think Revolut should have intervened further when this payment reason was selected and discussed the payments for example via its chat facility. I also think that some of the larger payments should have caused Revolut to have concerns and again these payments should have been discussed. But I don't think any further intervention would have made a difference.

It is clear from all the information provided, that Mr B was being coached by Y on how to answer Revolut's questions when it intervened on several occasions, and he was willing to give false information to Revolut, even when it specifically told him about red flags relevant to the scam and warned him of the high scam risks.

So even if Revolut had intervened further I think it's most likely Mr B would have again followed Y's instructions and given false information in response to any questions it would

have asked. I don't have enough to say Mr B would have been any more honest.

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

In addition to what I have covered above Mr B has further argued that Revolut did not change the questions it asked Mr B in its chats, one of the P2P payments is commonly used to purchase cryptocurrency in relation to scams and he had sent a significant amount over a short period of time from a new account.

I think that the points Mr B has raised are all reasons why Revolut did intervene and could have intervened further when Mr B made the payments. But like I've said above Mr B was being coached by Y on how to answer Revolut's questions and I think he would likely have continued to take Y's guidance on any other payments where Revolut may have intervened.

For the reasons I've explained above I still don't think Revolut missed an opportunity to prevent the scam and it is not responsible for Mr B'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 B to accept or reject my decision before 18 April 2025.

Terry Woodham
Ombudsman