

The complaint

Ms R's complaint is about Revolut Ltd's refusal to reimburse her money she says she lost due to a scam.

Ms R is represented by Refundee in this matter. However, I will refer to Ms R solely in this decision for ease of reading.

What happened

The circumstances of this complaint are well known to all parties concerned, so I will not repeat them again here in detail. However, I will provide an overview of events.

Ms R is a customer of Revolut. In short, she says she has fallen victim to a cryptocurrency related investment scam. The card payments in question were all made to Binance:

Payment Number	Date	Time	Amount
1	23/01/2023	11:55	£1,000
2	30/01/2023	08:45	£4,000
3	30/01/2023	15:46	£3,500
4	07/02/2023	11:48	£6,000
5	30/05/2023	14:41	£4,800

Ms R disputed the above with Revolut. When it refused to reimburse her, Ms R raised a complaint, which she 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 2 by providing Ms R with a warning. However, he also felt that had Revolut done so, Ms R would have still proceeded with the transaction despite the warning. Ms R rejected the investigator's findings stating, in short, that a proportionate intervention from Revolut would have uncovered the scam.

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

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 conclusions reached by the investigator at first instance for the reasons I set out below.

Did any of Ms R's payment transactions indicate she might be at risk of financial harm?

It is not in dispute that Ms R 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 expectations and requirements 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.

Payment 2

I am persuaded that Payment 2 (set out above) was unusual and out of character. I say this because of the value of Payment 2, and the fact that it was identifiably going to a cryptocurrency platform.

Given the above aggravating factors, I think Payment 2 should have triggered Revolut's fraud detection systems; prompting it to intervene before releasing the transaction to try to protect Ms R from financial harm. Taking the date of Payment 2 (30 January 2023) together with the aggravating factors present: my view is that a proportionate intervention would have been for Revolut to provide Ms R with a written warning about cryptocurrency investment scams.

This is something Revolut failed to do.

Would an intervention from Revolut have made a difference?

As I have taken the view that Payment 2 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 Ms R'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, Ms R would have proceeded with Payment 2 regardless of Revolut intervening.

I have reached this view for the following reasons.

Firstly, in Ms R's submissions, she says she was convinced that the fraudsters were legitimate due to: the professional look of their website, the certificate they had provided, and the fact the fraudsters appeared – to Ms R – to be registered in the United Kingdom and elsewhere.

Secondly, having considered the messages between Ms R and the fraudsters, I take the view that at the time of Payment 2, Ms R was very much under the spell of the fraudsters. The nature of the messages between them, to my mind, suggest that Ms R trusted the fraudsters and had a good relationship with them.

Thirdly, Ms R stated in her submissions, amongst other things, that she had researched the fraudsters, Starlight Capital, on Trustpilot. Because of this, the investigator put to Ms R some Trustpilot reviews – predating her payment transactions – suggesting that Starlight Capital was a fraudulent firm. Ms R responded stating, *"We read many of the positive reviews on Trustpilot and when we questioned the couple of bad reviews to the scammers they **manipulated** [emphasis added] us by showing us how one of our fruitful investments easily could be taken out and transferred to our account."*

By Ms R's own admission, she accepts that she was 'manipulated' by the fraudsters at an early stage of the scam. Having considered this, I find it difficult to conclude, on the balance of probabilities, that Ms R would have heeded a written warning regarding Payment 2. I find it likely that had such a warning been presented, Ms R would have, for example, spoken to the fraudsters about it. Consequently, they would have likely manipulated her accordingly.

In my judgment, when considering the above points as a whole – they suggest that had Revolut provided Ms R with a written warning regarding Payment 2, she would have likely proceeded with the transaction in any event.

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. In my view, there is an argument to say Payment 4 should have triggered. However, I am not persuaded the other payment transactions should have. To my mind, a proportionate intervention regarding Payment 4 would have been for Revolut to provide Ms R with a written warning about cryptocurrency investment scams.

However, I do not take the view that Ms R would have heeded such a warning for reasons I have already explained above regarding Payment 2. Further, Ms R says she had a return of £796.48 by the time she made Payment 4, which she says she withdrew to her Revolut account. It follows that by Payment 4, in my view, Ms R would have been even more taken in by the fraudsters.

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 Ms R to accept or reject my decision before 5 March 2025.

Tony Massiah
Ombudsman