

## **The complaint**

Mr B is unhappy that Revolut Ltd haven't refunded money he lost as a result of a scam.

Mr B is being represented by a claims management company but for ease of I'll only refer to Mr B in the decision.

## **What happened**

The detailed background to this complaint is well known to both parties. So, I'll only provide a brief overview of some of the key events here.

In August 2022 Mr B read some news articles in relation to investment opportunities. He saw that a well-known online seller was setting up its own trading scheme that sold shares to the public. He opened the link and left his details to be called back about this opportunity. He was then called back by a representative of a merchant. Mr B did some research into the merchant and was happy with the online reviews. He started to invest some money with the merchant from another one of his accounts. He was given access to a trading platform where he could see his investment growing. Around November 2022 he was told that in the new year he could be able to withdraw some of his profits.

Mr B then heard from another merchant in January 2023 who said they had taken over the previous merchant. He was assisted via a screen sharing platform on how to open a Revolut account so that he could receive the profits he made with the previous merchant. After the Revolut account was set up Mr B made some payments from his account with a bank - I'll refer to here as F. These funds were then forwarded to the merchant via the Revolut account and a genuine crypto exchange. In total Mr B sent around £13,523.95 from his Revolut account to a genuine crypto exchange.

After being requested to make more and more payments to cover fees, Mr B realised he had been scammed. So, he made a claim to Revolut. But Revolut said it hadn't done anything wrong here and it wouldn't be offering Mr B a refund. As a result, Mr B brought his complaint to this service.

Our investigator felt the complaint should be upheld in part. He said that the second payment should've been stopped by a Revolut and a crypto currency investment scam warning shown to Mr B. If that had happened, he was satisfied that this would've made Mr B pause and not make the payment. The investigator added that Revolut could deduct 50% of the award as Mr B had contributed to his losses here.

Mr B agreed with the investigator's opinion.

Revolut disagreed and asked for an Ombudsman's review. It said that these payments were self to self because they were sent to an account in Mr B's name where the money was then eventually lost to the scammer. Revolut said it's irrational to hold it liable for the scam payments when Mr B funded the scam through another bank account.

The complaint was allocated to me and I said that I wasn't minded to uphold it. I said that from the evidence I had been provided with, Mr B was being coached by the scammers on what to say to F and Revolut. From the call recording provided by F and the in-app chats from Revolut, I could see that Mr B was happy to not be honest with both firms which in turn made it difficult for them to uncover the real reason he was making the payments and provide suitable warnings.

Mr B disagreed and asked for a final decision. He said Revolut's interventions were weak and it should've been on alert given that it had seen there was screen sharing software on his device. He said Revolut should've intervened further here and frozen his account and/or called him to discuss what was happening here.

### **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.

I want to first make it clear from the outset that there is no doubt that Mr B has been victim of a cruel and sophisticated investment scam and has lost a considerable amount of money as a result.

I don't underestimate the impact this has had on Mr B. While there are certain obligations on banks to protect consumers and prevent losses to scams in certain circumstances, these are not absolute. And so, there are unfortunately occasions where a consumer will lose out but have no recourse to a refund.

Firstly, it isn't in dispute that Mr B authorised the disputed card payments he made for the purchase of crypto. The funds were then unfortunately transferred on to the scammers. In broad terms, the starting position in law is that Revolut is expected to process payments and withdrawals that a customer authorises it to make, in accordance with the Payment Services Regulations (in this case the 2017 regulations) and the terms and conditions of the customer's account.

However, I consider that as a matter of good industry practice that Revolut ought to have taken steps to intervene prior to processing a payment instruction where it had grounds to suspect a payment might be connected to fraud or a scam.

At the time these payments were made there was a high prevalence of crypto related scams; and so, the risks of making crypto related payments should've been well known to Revolut. The question then arises whether Revolut ought reasonably to have held such suspicions or concerns in relation to Mr B's payments — and if so, what might've been expected from a proportionate intervention.

So, taking all of this into account, I need to decide if Revolut acted fairly and reasonably in its dealings with Mr B when he made payments lost to the scam between 22 January and 11 March 2023. Specifically, whether it should've done more than it did before processing the payments – and if it had, would that have made a difference. I also need to decide if Revolut could've reasonably recovered the lost funds.

I agree that Revolut should've done more here and asked questions of Mr B about why he was making the payments. However, I don't think I need to decide on the exact point Revolut should've stepped in and done more because I'm not satisfied this would've made a difference. I'll explain why.

When Mr B was invited to an in-app chat with Revolut on 20 January 2023 (before he made any payments towards the scam) he told Revolut that no one had instructed him to open the Revolut account and that he had downloaded a screen sharing app on his device but that was for helping people with their computers in the community - which wasn't true in relation to the screen sharing software Revolut was asking about. And I note in his submission to this service he's said he was being assisted through the account opening process by the scammer. So, he was being coached on what to say. If Mr B had been honest with Revolut in the chat, Revolut could've asked him about the reasons for the screen sharing software and said that he was likely being scammed. Instead, I can see that Revolut asked him;

*"4. Have you received any calls recently from anyone telling you to create a Revolut account and encouraging you to make an outbound transfer? If yes, what did they tell you?"*

Mr B answered no to the question – which was inaccurate because the evidence shows he was told to open the account and then told to make an outbound transfer. The question was clear in its meaning, and I don't think it could've been misinterpreted here.

This now means I need to consider whether a crypto investment scam warning and/or any further intervention would've stopped this scam. Mr B says that Revolut should've called him or frozen his account. But I don't agree. First of all, Revolut had already asked him about screen sharing software and Mr B's inaccurate answers meant it didn't think this application was related to the opening of the accounts. Nor do I think the correct intervention here should've been for Revolut to call Mr B. I'm satisfied a reasonable intervention would've been to provide crypto investment scam warnings.

In order for me to reasonably conclude that these would've made a difference, I need to be satisfied a crypto investment scam warning would've resonated with Mr B at the time and he would've answered Revolut's questions in relation to the payment reasons accurately. So, if Revolut had asked Mr B for a payment reason to enable it to provide an accurate scam warning, it could *only* be expected to have provided such warnings *if* it was provided with accurate information on the situation surrounding a flagged payment.

Here, I've got evidence that shows me that Mr B was being coached on what to say to Revolut and F. And he was actively following those instructions. So, that decreases the chances that Revolut had to try and uncover the scam.

I've considered that Mr B wasn't truthful about the screen sharing software and that there were no third parties involved in the opening of his Revolut account. That's important here because one of the questions Revolut would've asked would've been why he was sending money to a crypto exchange and then whether he was being told to do so by a third party.

I'm satisfied that Mr B – on balance - wouldn't have been honest in his responses to Revolut's questions here given the coaching he was being given. So, I don't think it's likely he would've mentioned any third-party involvement in the payments to the crypto exchanges. I think he was taken in by a well-orchestrated scam. He thought it was regulated and genuine at the time hence why he was happy to be coached on what to say to F and then Revolut, so that he could retrieve his 'money'.

So, even if Revolut had provided a warning about crypto investment scams, I don't think this likely would've resonated with him. That's because Mr B hadn't been contacted out of the blue, this wasn't supported by a celebrity, and he hadn't seen an advert on social media.

Even if Revolut stopped one of the later payments in the scam and invited Mr B to the in-app chat, I don't think the evidence suggests – on balance - that he would've been honest about why he was making the payments to the crypto exchange. I've seen that he has denied

anyone else told him to set up the Revolut account, so I'm not persuaded he would've confirmed there were third parties involved in his payments to the crypto exchange just like he said to F that no one else was involved in his decision to open the Revolut account.

Mr B has said that he would've been honest about the reasons for the payments upon further intervention and probing – however, I think he is saying that with the benefit of hindsight. Ultimately, I need to make a finding on what was most likely to have happened at the time of the payments. And unfortunately for Mr B here, the most persuasive evidence is what I have from the time of the scam - which shows that he was willing to provide inaccurate answers to any questions from F and Revolut.

So, although I agree that Revolut could've done more here, that doesn't automatically mean the complaint should be upheld. And I don't think this is a case where I think there was anything substantive enough to mean that Revolut would have been justified in refusing Mr B's payment instruction altogether and going against his wishes.

*Could Revolut have done anything else to recover Mr B's money?*

I've thought about whether Revolut did enough to attempt to recover the money Mr B lost, as there are some instances where debit card transactions can be refunded through making a chargeback claim.

A chargeback wouldn't have been successful for the debit card payments to the account in Mr B name at the genuine crypto exchanges, as Mr B was able to move the money onto the scammers. So, Mr B duly received the service he paid for on his debit card. The money was subsequently lost from his other account when it was moved by the scammers. So, he couldn't claim that he didn't receive the goods or services paid for from his Revolut account to the crypto exchange.

As a result, I don't think Revolut have acted unreasonably by failing to pursue a chargeback claim or try and recover Mr B's money here.

I have a great deal of sympathy for Mr B and the loss he's suffered, as I appreciate it is a significant sum of money. But it would only be fair for me to direct Revolut to refund his loss if I thought it was responsible – and I'm not persuaded that this was the case. For the above reasons, I think Revolut has acted fairly and so I'm not going to tell it to do anything further.

### **My final decision**

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 B to accept or reject my decision before 21 April 2025.

Mark Dobson  
**Ombudsman**