

## **The complaint**

Mr P complains that Revolut Ltd ('Revolut') hasn't refunded the money he lost when he fell victim to a cryptocurrency investment scam.

## **What happened**

The circumstances of the complaint are well-known to both parties, so I don't intend to repeat these in detail here. But I will provide a brief summary of what's happened.

As part of a cryptocurrency investment scam, Mr P opened a Revolut account and made the following payments:

- a £1,202.27 debit card payment, on 24 August 2023, to a cryptocurrency exchange platform – which I'll refer to as 'B';
- a £5,000 faster payment, on 13 September 2023, to a cryptocurrency exchange platform – which I'll refer to as 'C'; and
- a £24,500 faster payment, on 18 September 2023, to C.

I've identified a fourth payment which was made as part of the scam, which wasn't included in Mr P's complaint to Revolut. This was a £4,000 faster payment to a third party on 25 August 2023. The beneficiary of this payment wasn't a cryptocurrency exchange platform, but it does appear to be a genuine business. So, it's possible that this payment was part of a peer-to-peer cryptocurrency purchase. Taking this payment into account, Mr P lost £34,702.27.

After realising he'd made the above payments as the result of a scam, Mr P reported the situation to Revolut in the form of a complaint. Revolut asked Mr P for additional information, but this wasn't provided and so Revolut declined Mr P's complaint.

Mr P referred his complaint to this service. Our Investigator didn't uphold the complaint. They said that Revolut had identified some of Mr P's payment activity was unusual and asked Mr P questions about this. However, as Mr P hadn't been honest with his answers, our Investigator thought Revolut couldn't reasonably have been expected to have identified the scam and they also felt Revolut's intervention was proportionate in the circumstances.

Mr P didn't agree. He felt that Revolut didn't do enough and that if more appropriate questions had been asked, the scam would've been identified. As an agreement couldn't be reached, the complaint was passed to me to decide.

I reached the same outcome as our Investigator, but for different reasons. So, I issued a provisional decision.

In summary, I said that throughout the scam, Mr P had been questioned about the transactions he was making and he wasn't honest with his answers. I thought Mr P had been heavily coached by the scammer and even if there had been better questioning from Revolut about what Mr P was doing, he wouldn't have revealed the truth or heeded any warnings. I also didn't think Revolut could've done anything to recover Mr P's funds from the beneficiaries. So, I didn't think Revolut could fairly be held responsible for Mr P's loss.

Revolut didn't respond to my provisional decision, but Mr P replied to say that he didn't agree. Mr P said Revolut ought to have recognised that the scam payments were unusual and in response it should've done more to prevent him falling victim to the scam through thorough questioning about the payments he was making.

### **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.

Having done so, and after reviewing Mr P's response, I see no reason to depart from my provisional findings, which I'll reiterate below.

*"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'm not of the opinion that Revolut reasonably could've prevented Mr P's loss. I'll explain why."*

*On 17 August 2023 – the day Mr P's Revolut account was opened – he tried to deposit £20 from a bank account he held with another firm – which I'll refer to as 'Bank H'. The payment was blocked, as Bank H had some concerns that it wanted to discuss with Mr P.*

*Initially, Mr P wasn't truthful with his answers to Bank H's questions. However, after further questioning from Bank H, Mr P did answer truthfully, which allowed Bank H to identify he was being scammed and it provided him with a warning against making the payment.*

*Although the payment from Bank H to Revolut was cancelled and Mr P was warned he was being scammed, Mr P continued communicating with the scammer. And, a few days later, Mr P successfully moved funds from his account with Bank H to Revolut, following which he made the debit card payment to B.*

*Two days later, Mr P moved more funds from Bank H to Revolut. He tried to make debit card payments to B and another cryptocurrency exchange platform, but these were declined. Mr P began speaking to Revolut via its in-app chat function. Revolut asked him some questions about his account, his payment activity, and the destination of the funds he was trying to send. Revolut also specifically asked Mr P if he had downloaded any remote access software. This time, Mr P reverted to the scammer for advice on how to answer Revolut's questions and it would appear the scammer's answers – which weren't truthful – were simply copied and pasted from WhatsApp into the Revolut chat.*

*Throughout the scam, Mr P was challenged by Revolut, Bank H and other Electronic Money Institutions ('EMIs'). The WhatsApp messages he exchanged with the scammer demonstrate that Mr P was frequently seeking advice from the scammer about how to answer questions and was being told to give untruthful answers whilst withholding certain information. He was even persuaded to take out a substantial loan. And there are multiple examples indicating that the scammer was accessing Mr P's devices through remote access software.*

*It's also clear from Mr P's communication with the scammer that he was keeping the investment opportunity a secret from his partner and family – and even after family members found out about what had happened and expressed their concerns, Mr P continued to communicate with the scammer.*

*Mr P has said that he was an inexperienced investor and wasn't sure of the process for investing in cryptocurrency. However, he believed the scammer to be an expert in trading cryptocurrency and therefore felt comfortable following their instructions – even if this meant providing false information to Revolut and Bank H. Mr P was being coached extensively by the scammer, via remote access software, WhatsApp and in phone calls, so it's clear he was heavily under the scammer's spell.*

*To my mind, this demonstrates that even if there had been better questioning from Revolut about the payments Mr P was making, it's more likely than not that Mr P would've continued seeking advice from the scammer about how to respond to ensure the payments were made – and, to circumvent any questioning, the answers he would've given wouldn't have been truthful. This would've stopped Revolut from identifying the scam and in my opinion the payments (and subsequent loss caused by these) would've happened regardless of any intervention from Revolut. I think it is also fair to say that Mr P wouldn't have heeded any warnings presented by Revolut and proceeded with the payments – such was his belief in the scammer.*

*I appreciate Mr P's comments that Revolut didn't question him about the final scam payment – which was a £24,500 payment to a cryptocurrency exchange platform. However, even if Revolut had challenged him, I'm satisfied that Mr P would, more likely than not, have reverted to the scammer for advice in how to answer any questions and his answers would likely have been untruthful, preventing the scam from being identified.*

*I'm satisfied this would, more likely than not, have been the case because shortly after that payment was made, Mr P made a scam payment from his account with Bank H, which was blocked, and Mr P had to speak to Bank H about it. During that phone call, Mr P wasn't truthful with his answers – and, given Mr P had been communicating with the scammer shortly before the call with Bank H, I believe that the misleading answers he gave were the result of coaching from the scammer. So, I don't think Revolut would've been able to identify the scam or persuade Mr P not to go ahead with the final scam payment from Mr P's Revolut account even if it had intervened and questioned him about the payment.*

*I appreciate that shortly before the scam, Mr P's brother passed away and I've taken into consideration his comments that this impacted his decision making when he was scammed. Whilst Mr P thinks this made him vulnerable to the scam, Revolut wasn't aware of this at the time. So, there were no additional measures in place to protect Mr P from fraud which Revolut failed to adhere to. As a result, whilst I sympathise with Mr P's situation, I can't fairly ask Revolut to reimburse Mr P's loss as a result of his circumstances at the time.*

## Recovery

*Revolut did consider attempting a chargeback against B, but Mr P failed to engage with Revolut's requests for information, so the chargeback was cancelled. There's been no suggestion made that Mr P didn't receive the cryptocurrency he purchased from B. So, even if Revolut had raised a chargeback against B, it would likely have been defended.*

*The payments to C went to Mr P's own digital wallet. So, when the scam was reported to Revolut, Mr P had the option of withdrawing any funds that remained in the account and so I wouldn't have expected Revolut to have contacted C in those circumstances.*

*Revolut wasn't aware the £4,000 payment was made as part of the scam, as Mr P didn't include this in his letter of complaint. However, given the complaint was made approximately three months after that payment was made, I'm satisfied that it's more likely than not that no funds would've been available for recovery."*

Mr P has argued that Revolut should've identified that his payments activity was unusual and thoroughly questioned him about the purpose of the transactions he was making, which he believes would've prevented him from falling victim to the scam. However, to uphold Mr P's complaint, I'd need to be satisfied that proportionate questioning from Revolut would, more likely than not, have resulted in Mr P not going ahead with the scam payments. And, in the circumstances, I'm not as persuaded as I'd need to be that Revolut could have prevented Mr P from falling victim to the scam.

Revolut (and the other firms that were involved) did – on several occasions – block Mr P from making payments and questioned him about these. However, such was his belief that the scammer was genuine, Mr P repeatedly sought their advice on how to answer the questions he was being asked. He was being heavily coached by the scammer and repeatedly gave untruthful answers. In some instances, the scammer's answers were simply copied and pasted into the Revolut chat.

Mr P doesn't appear to have questioned the scammer about why he needed to lie to Revolut, or the other firms involved. By his own admission, Mr P was an inexperienced investor and didn't know how to legitimately invest in cryptocurrency. Mr P believed the scammer was an expert in cryptocurrency investing, which is why he was comfortable following their advice on how to circumvent any questions he was being asked to ensure the payments would be successful. This even extended to giving control of his devices to the scammer through remote access software and allowing them to apply for a large personal loan in his name.

Before Mr P had lost any money, Bank H told him that he was falling victim to a scam, but this didn't deter him from maintaining communication with the scammer and following their instructions. Also, during the scam, Mr P's family members expressed concerns about what he was doing, but again this wasn't enough to persuade him to stop making scam payments.

If Revolut had questioned Mr P more thoroughly about the payments it stopped – or the payments it didn't block – I'm satisfied (from the evidence I've seen) that Mr P would, more likely than not, have sought advice from the scammer on how to respond, as was the case throughout the scam. As I'm persuaded Mr P would've reverted to the scammer for advice on how to answer any questions, I'm satisfied that he wouldn't have revealed the true purpose of the payments he was making or heeded any warnings he could've been given in the circumstances.

As a result, I remain of the opinion that Revolut couldn't reasonably have prevented the scam payments being made and Mr P would've lost this money regardless of any intervention from Revolut. And, as I'm not satisfied Revolut could've recovered Mr P's funds, I'm not persuaded there are fair and reasonable grounds to hold Revolut responsible for Mr P's loss.

### **My final decision**

For the reasons explained above, and in my provisional decision, my final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 21 May 2025.

Liam Davies  
**Ombudsman**