

The complaint

Mr P complains that Revolut Ltd (“Revolut”) have failed to refund over £119,000 he lost to an investment scam.

The details of this complaint are well known to both parties, so I won’t repeat everything again here. Instead, I will focus on giving the reasons for my decision.

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, I agree with the conclusions reached by the investigator for the following reasons:

- It isn’t in dispute that Mr P has fallen victim to a scam here, nor that Revolut ought to have provided a scam warning due to the unusual activity taking place on his account. Revolut has accepted that it should have intervened on the fourth payment made on 13 September 2022 of £2,604.26, and has conceded that this would have likely prevented the scam. It has therefore agreed to refund the payments Mr P made from this point onwards. This aspect no longer appears to be in dispute by the parties, but in any event, I’m satisfied it would be fair and reasonable for Revolut to refund the money lost from this payment as well. It was the fourth payment made to the same payee on the same day, and I’m also satisfied an intervention or scam warning from Revolut would have likely prevented any further loss.
- What has been disputed by Mr P is whether it is fair and reasonable for a 50% deduction in compensation to be made as a result of his contributory negligence, as recommended by the investigator. I’ve considered everything Mr P and his representatives have said on the matter, and I’m satisfied the recommended deduction is fair and reasonable in the circumstances for a lack of due diligence on Mr P’s part.
- Mr P says he checked Trustpilot to verify the broker (“Trade Baionics”) and saw positive reviews, which led him to believe they were legitimate. However, at the time Mr P was scammed, there was also a significant number of sources claiming the broker was operating a scam.
- Mr P has said he was on medication at the time after having been through an operation, such that he should be considered as vulnerable. I’m sorry to hear about the pain Mr P had been experiencing, and I accept that this may have had some impact on him at the time. However, I’ve not seen enough persuasive evidence to demonstrate that this would have prevented him from being able to protect himself from falling victim to a scam. He had enough capacity to read articles and think about checking Trustpilot reviews in the first place to verify the broker, for example, where he said that he saw positive reviews. So, there’s seemingly little to suggest that he wouldn’t have also been able to see or understand the negative reviews online as well. Therefore, I’m not persuaded he was vulnerable to the extent that he was unable to protect himself, and I don’t consider he

carried out enough due diligence before deciding to part with his money. He should therefore share responsibility with Revolut for his loss, and I'm satisfied a 50% deduction is fair and reasonable in the circumstances.

- In terms of the payments Revolut isn't refunding, I don't consider there was anything more it could have done to try and recover the money after the fraud was reported. Mr P made the payments from his Revolut account to his own crypto wallets before moving the funds on to the scammer. Therefore, there would have been no prospect of recovering the faster payments he made to those wallets, nor would there be any prospect of successfully raising a chargeback for the card payments either.

My final decision

For the reasons given above, I uphold this complaint and direct Revolut Ltd to:

- Refund the payments Mr P made as part of the scam, from the £2,604.26 payment made on 13 September 2022 onwards, less a deduction of 50% in recognition of Mr P's own contributing negligence towards his loss.
- Pay 8% simple interest per year on this amount from the date of loss until the date of settlement.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 12 September 2023.

Jack Ferris
Ombudsman