

The complaint

Mr H complains that Revolut Ltd (“Revolut”) have failed to refund over £11,000 he says 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 H authorised the disputed payments he made to his crypto wallets from his Revolut account (where his funds were subsequently transferred on to the scammers from his crypto wallets). The payments were requested using his legitimate security credentials provided by Revolut, and the starting position is that firms ought to follow the instructions given by their customers in order for legitimate payments to be made as instructed.
- However, I’ve considered whether Revolut should have done more to prevent Mr H from falling victim to the scam, as there are some situations in which a firm should reasonably have had a closer look at the circumstances surrounding a particular transfer. For example, if it was particularly out of character.
- I appreciate that overall, Mr H has lost over £11,000 which is a significant amount of money. But this amount wasn’t paid in one large or ‘out of character’ transaction. It was spread over five separate smaller increments which, in my judgment, most would not have appeared particularly unusual, such that they ought to have been regarded as suspicious.
- However, I note that one of the payments Mr H made on 18 May 2022 required him to select the reason for the payment, to which he selected “Safe account transfer”. Revolut said it provided a warning in relation to this option. But this payment option ought reasonably to have put Revolut on notice that the payment being made might have been part of a scam, such that it should not have allowed it to go through unless it had been able to satisfy itself that the payment reason was selected in error.
- It isn’t clear why Mr H chose the safe account option, as this wasn’t the reason for his transfer (which was for an investment). However, I note that when Mr H reported the scam to Revolut, he said *“One transaction to my Revolut was flagged as a possible scam by my [other] bank and this guy instructed me how to circumvent the fraud team”*. Given this was all part of the same scam, it therefore seems likely he was being coached in what options to choose – as well as what to say – to each firm involved by the scammer.

- So, If Revolut had discussed the reason for the payment with Mr H, I don't think it would have likely had any further concerns that he was falling for a safe account scam, as that was not the nature of the payment he was making. And given Mr H was also being coached in what to say in order to circumvent fraud prevention teams, it doesn't seem likely that he would've been upfront and honest about what he was actually doing if Revolut had probed further. As a result, even though I think Revolut could have done more here, I'm not persuaded it could have reasonably prevented the scam in these circumstances.
- I've also considered whether Revolut did enough to try and recover the funds after the fraud was reported. However, there wouldn't have been any successful prospect of a chargeback for the debit card payments made to Binance, as Mr H would have received the services he paid for. In terms of the faster payments made to Skrill, there similarly would have been little prospect of these funds being recovered, given we know the money was swiftly transferred on to the scammer from the crypto wallet. Therefore, I'm not persuaded Revolut could have reasonably done anything more to recover his funds in these circumstances either.

I appreciate this will likely come as a disappointment to Mr H, and I'm sorry to hear he has been the victim of a cruel scam. However, in this case, I do not consider it would be fair and reasonable to hold Revolut liable for his loss.

My final decision

For the reasons given above, I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 11 October 2023.

Jack Ferris
Ombudsman