

The complaint

Mr P complains that Revolut Ltd (“Revolut”) have failed to refund money that Mr P lost as part of an investment scam.

Mr P is being represented by a third party but for ease of readability I will just refer to Mr P.

What happened

Mr P saw a post on a social media site from a friend that mentioned an investment opportunity. Mr P registered his interest and was subsequently contacted by someone who said they worked for a crypto trading company that I will call B. From what I can see he made two card payments one of £750 and a second one a day later of £4,000. Mr P said that he purchased crypto and forwarded it on to B.

Mr P then tried to withdraw the “profits” that he had made and when he was told he had to pay further money to make a withdrawal he realised that he had been scammed.

Mr P raised a complaint with Revolut as he believed that Revolut should have stopped him from making the payments in question.

One of our investigators looked into this matter and they decided that the transactions were not sufficiently out of character to warrant an intervention by Revolut and that there was no other means of Revolut recovering the funds.

Mr P did not agree with this and therefore his complaint was passed to me to issue a final 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 authorised the disputed payments he made using his Revolut debit card to the crypto exchanges (where his funds were subsequently transferred on to the scammers from his crypto wallet). The payments were requested by him using his legitimate security credentials provided by Revolut, and the starting position is that banks 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 P from falling victim to the scam, as there are some situations in which a bank should reasonably have had a closer look at the circumstances surrounding a particular transaction. For example, if it was particularly out of character. However, as Mr P's account had just been opened, I do not think the payments he is disputing should have been regarded as particularly unusual, as Revolut would not have any account history to compare the transactions to.

I note that Mr P gave the reasons for opening his account as "spend and save". I don't think that this means that the payments should have looked particularly out of character either.

So, having considered the payments Mr P made, I'm not persuaded there was anything that ought reasonably to have triggered Revolut's fraud monitoring systems or that would have indicated he was in the process of being scammed. I therefore do not consider there to have been any obligation on Revolut to have intervened any further.

I've also thought about whether Revolut did enough to attempt to recover the money Mr P lost, as there are some instances where debit card transactions can be refunded through making a chargeback claim. But in this case, a chargeback would not have been successful, as the transactions Mr P used his debit card for was to pay Crypto.com for the purchase of cryptocurrency, which he duly received. The money was subsequently lost from the crypto platform when Mr P transferred the funds to the scammer. So, he could not claim that he did not receive the goods or services paid for from his Revolut account, which was the purchase of the cryptocurrency. As a result, I don't think Revolut have acted unreasonably by failing to pursue a chargeback claim here.

I appreciate this will come as a disappointment to Mr P, and I'm sorry to hear he has been the victim of a cruel scam. However, I'm not persuaded that Revolut can fairly or reasonably be held liable for his loss in these circumstances.

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 P to accept or reject my decision before 17 January 2024.

Charlie Newton
Ombudsman