

The complaint

Mr M – who is represented by a CMC – complains Revolut Ltd didn't do enough to protect him from becoming the victim of a scam.

What happened

Mr M opened an account with Revolut in December 2022 and in the following two days made two card payments totalling just under £5,000 to a cryptocurrency exchange and a transfer for just over £8,500 to a cryptocurrency investment account. He did so having received several payments into his Revolut account. Mr M says he made these payments believing he was making deposits on which he'd earn commission.

Mr M says he realised he'd been scammed when he was asked to make a payment of £25,000. He complained to Revolut on 5 January 2023 saying that it hadn't done enough to protect him from being scammed.

Revolut looked into Mr M's complaint and said that it could see its systems had flagged the final payment and that it had tried to contact Mr M several times – via online chat – to ask about the purpose of the payment, warning Mr M about some of the most common types of scam. Revolut said that Mr M didn't respond on the first two occasions, so it declined the payment twice. Revolut said that Mr M initiated the same transfer a short time later, said that he was helping a friend, who he trusted, that the payment was urgent and that he knew what he was doing. Revolut said that it allowed the payment to go ahead – having done checks and having warned Mr M about scams – and that it wasn't, therefore, going to uphold his complaint. Mr M was unhappy with Revolut's response, so he complained to us.

One of our investigators looked into Mr M's complaint and said that it wasn't clear that he'd been scammed – given the evidence we'd been sent. In any event, they didn't think that further questioning would have uncovered that Mr M was being scammed or prevented him from making the payments. In the circumstances, our investigator didn't think it was fair to hold Revolut liable. Mr M disagreed and asked for a decision from an ombudsman.

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.

Our investigator didn't uphold this complaint saying, amongst other things, that Mr M hadn't provided evidence that showed he'd been scammed. That's important if we're going to uphold a complaint. In this case, however, there's no dispute that Revolut's systems identified the third payment as it one where there was a risk of Mr M being defrauded and that Revolut attempted to speak to Mr M several times – via its online chat – to check the purpose of the payment and to warn him about scams. I agree with our investigator – for the reasons I'm about to give – that Revolut couldn't have done more in this particular case, so the question of whether or not this was a scam is one I don't have to ultimately decide.

In this case I can see – as I've already mentioned – that Revolut's systems flagged the third

payment because it identified the payment as one where there was a risk of Mr M being defrauded. That's what I would have expected – he'd only just opened his account so there was nothing to suggest that the first two payments were unusual, but the third payment arguably was. Revolut held the payment – marking it as pending – whilst it performed further checks which included contacting Mr M to ask him questions about the payment and warning him “that scammers are using increasingly sophisticated techniques to gather personal information and convince customers to transfer funds in complex scams”. Revolut warned that this could include “exciting investment opportunities” and other common scams. I can see that Mr M didn't respond to Revolut's first two attempts to contact him, so it cancelled the payment twice only for Mr M to initiate it again. Revolut contacted Mr M again – in other words, for a third time – and this time he explained that he was making the transfer to a friend. Revolut asked Mr M if he'd been told to ignore scam warnings when making payments as it could see he'd said the transfer was a payment for goods and services. Mr M replied “no” and told Revolut that he was purchasing the products for friends who needed them and that it was urgent, that he was sure what he was doing and wanted to go ahead.

I agree with Mr M's representative that the answers Mr M gave could have been questioned more as there were some discrepancies in what he said. And that he could have been asked more about his friend, what goods and services he was buying and why he was sending money to a cryptocurrency account instead of to his friend directly. But I also have to take account of what we'd expect from a business like Revolut, and the fact that Mr M wasn't honest about the purpose of the transaction. Having done so, I agree with our investigator that Revolut wouldn't have managed to prevent Mr M from making these payments and that it wouldn't be fair to hold it liable. In other words, I'm not upholding this complaint.

My final decision

My final decision is that I'm not upholding this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 4 October 2023.

Nicolas Atkinson
Ombudsman