

The complaint

Ms W complains that Revolut Ltd (“Revolut”) has failed to refund over £25,000 she lost to an investment scam.

What happened

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.

But in summary, Ms W saw an advert about investing with a company I’ll refer to as B on a social networking site. Ms W then read this advert and she left her details and received a call and then messages from an advisor who persuaded Ms W to invest.

Ms W then sent over £25,000 via debit card payments to two crypto exchanges and the funds were then converted to crypto and sent to B.

When Ms W was unable to withdraw her funds from B, she realised that she had been scammed. She therefore via her representative raised a complaint with Revolut and requested that she be refunded the transactions. Revolut declined to do this.

One of our investigators looked into this matter and she did not uphold this complaint. Ms W did not agree with this outcome and therefore her 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:

I am satisfied that Ms W authorised the transactions she made from her Revolut account as part of the scam, I note that she has said that the scammer made the payments for her but I don’t think it likely that this was the case and in any event, even if they were being made by the scammer, I think that they were being made with Ms W permission otherwise I would have expected her to have queried the payments much sooner than she did.

I am also satisfied that some of those payments were considered unusual given they were flagged to Revolut and prompted it to issue warnings/ask further questions through its in-app chat. So, I’ve therefore focused on the extent of Revolut’s intervention and whether it could’ve reasonably done anything more to prevent the scam.

Revolut intervened in relation to a £4,000 payment Ms W attempted to make on 8 November 2022. In this intervention it asked a number of questions including whether she had used been asked to install any apps such as AnyDesk, the purpose of her investing, had she received any calls telling her to create a Revolut account and was she investing on her own advice.

Ms W said that she had installed AnyDesk but she had done so for work. That she was investing on her own advice and she was an experienced investor who came across the investment opportunity through her own work. Therefore, I don't think Revolut ought reasonably to have had further cause for concern. And even if it had probed further, it seems unlikely that Ms W would've been upfront with what she was doing. I should also add that Ms W was not happy about the questions she was being asked so I don't her being asked even more questions would have gone well between Revolut and her or would have led to the scam being discovered.

Therefore, even if I were to accept that Revolut ought to have done more, I don't think its failure to probe further could reasonably be considered as the proximate cause of Ms W's loss in these circumstances, as it seems likely she would have given misleading information and proceeded to make the transactions irrespective of any intervention.

I note Ms W's representative comments that Revolut should have given Ms W a warning. But given the above answers and the amount of the transaction I don't think it needed to. But had it done so, given the above answers Revolut would just have been able to provide a general warning and I don't think a general warning would have changed Ms W's decision to carry on with the transactions. After all if Ms W was willing to mislead Revolut it was clear she was heavily under the influence of the scammer.

I've also thought about 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 Ms W made to the crypto provider, as she would've received the services she paid for.

I appreciate this will likely come as a disappointment to Ms W, and I'm sorry to hear she has been the victim of a cruel scam. However, I'm not persuaded that Revolut can fairly or reasonably be held liable for her 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 Ms W to accept or reject my decision before 5 April 2024.

Charlie Newton
Ombudsman