

The complaint

Miss R via a representative complains that Revolut Ltd (“Revolut”) have failed to refund the money she lost as part of an investment scam.

What happened

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

In summary though Miss R found an advert on a well known social media site for a trading company that I will call B. Miss R signed up online and received a call from B. B then persuaded Miss R to send funds to a crypto exchange via debit card and faster payments these funds were then used to purchase crypto and were then sent on to B. The payments that Miss R made were as follows;

Transaction Number	Date	Type of Payment	Amount
1	27 October 2022	Card Payment	£5,074.55
2	27 October 2022	Card Payment	£5,141.35
3	27 October 2022	Card Payment	£2,256.17
4	28 October 2022	Card Payment	£4,075.34
5	31 October 2022	Transfer Out	£7,700
6	09 November 2022	Transfer In	£7,700

When Miss R attempted to withdraw the profit that she could see on B she was told that she had to pay additional fees. At this point Miss R realised that she had been scammed.

Miss R asked Revolut to refund these payments as she believes Revolut should have done more to prevent her from being scammed. Revolut did not agree with this.

One of investigators looked into this matter and he thought that whilst Revolut should have intervened earlier than it did, however had it done so the scam would not have been stopped. So, he did not uphold this complaint.

Miss R did not agree with this and therefore her complaint has been passed to me to issue a 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 Miss R authorised the disputed payments she made from her Revolut account. The payments were requested by her using her legitimate security credentials provided by Revolut, and the starting position is that Revolut 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 Miss R from falling victim to the scam, as there are some situations in which it should reasonably have had a closer look at the circumstances surrounding a particular transaction. For example, if it was particularly out of character.

In this instance Miss R's Revolut account was relatively new. So Revolut did not have enough to say what Miss R's usual activity looked like. That said, I agree that Revolut should have queried the transactions in question. The investigator said that the first payment should have prompted an intervention, I personally think that this is debatable and it should have been the second payment. But I don't think that this matters as I don't think that any intervention would have stopped the scam.

I say this because of the answers that Miss R gave when Revolut asked her questions about the payment of £7,700. Miss R confirmed that she had done her own research and she was interested in buying crypto for herself. Miss R was asked if she was investing on advice from a third-party and Miss R said she was not. Miss R was asked if she had installed remote access software again Miss R said that she had not. So, I think that had Revolut intervened earlier during the scam I think it likely, albeit on balance, that Miss R would've answered the questions in the same way which in turn would not have made Revolut aware that she was being scammed.

I also don't think that a general warning about the dangers of investing in crypto would have altered her decision to go ahead with the scam. I say this because she was given a very general warning during this chat. I note that Miss R's representative has highlighted an e-mail between Miss R and the scammer that showed that Miss R had doubts as to the transactions she was making. But Miss R proceeded with this transaction despite these doubts even after being told by Revolut not to continue with the transaction if she had any concerns. So taking everything into consideration I think a warning or intervention earlier in the scam would not in this particular case have stopped the scam.

I've also thought about whether Revolut could have done more to recover the funds after Miss R reported the fraud, but in this instance for the debit card payments a chargeback would not have been successful as she received the crypto she had paid for.

Revolut are also under no obligation to refund the money to Miss R under the Contingent Reimbursement Model (CRM) Code either, as the Code does not apply to transfers which the payer has effectively made to themselves.

I appreciate this will likely come as a disappointment to Miss R, and I'm sorry to hear she have 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 Miss R to accept or reject my decision before 7 February 2024.

Charlie Newton
Ombudsman