

The complaint

Miss H complains that Revolut Ltd won't refund money she says she 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'll 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 Miss H authorised 13 payments totalling £49,834 from her Revolut account between 4 November 2022 and 17 December 2022. These payments were made to legitimate cryptocurrency exchanges to fund an initial investment opportunity with a company I'll call 'N' and a subsequent recovery attempt with a company I'll call 'C'. Miss H says both companies scammed her. But as the payments were requested by her using her legitimate security credentials, the starting point is that Banks and Payment Service Providers (PSPs) ought to follow the instructions given by their customers in order for legitimate payments to be made as instructed.
- Banks and other PSPs do have a duty to protect customers against the risk of financial loss due to fraud and/or to undertake due diligence on large transactions to guard against money laundering. But when simply executing authorised payments, they do not have to protect customers against the risk of bad bargains or give investment advice – and the Financial Conduct Authority ("FCA") has confirmed that a fraud warning would not constitute unauthorised investment advice.
- But not every complaint referred to us about payments to cryptocurrency exchanges are made as the result of a scam. Some cases simply involve high-risk investments that resulted in disappointing returns or losses. And some cases just involve the purchase of cryptocurrency.
- When considering this for Miss H's case, I've paid particular attention to the official organisations that publish warnings about merchants that operate in the UK and abroad. I've searched the Investor Alerts Portal of the International Organization of Securities Commissions ("IOSCO"), the international body that brings together the world's securities regulators. And the FCA (as the UK regulator) also has its own warning list, which is in place to share alerts and insight about merchants that have been identified as potentially being fraudulent or operating without authorisation. Upon checking both of these, it's my understanding that N and C have no adverse information reported about them. Indeed, my own research hasn't resulted in any compelling information to show either were fraudulent.

- I accept that warnings are not always published about fraudulent companies and so, I've focussed on the evidence Miss H has provided. And I must stress that Miss H has been given multiple opportunities to provide additional evidence. Here Miss H relies on her testimony, she has no contracts; no statements from her cryptocurrency exchanges; no conversations with the alleged scammers; no screenshots of her trading account; no emails; or any evidence of her agreements with N or C. But her testimony alone is not persuasive of a scam. As I've mentioned already, there is no adverse information I can find about N or C. And even though I can see she made payments to crypto exchanges and used loan funds to fund some of these payments, this is not evidence of a scam. And in my judgement, Miss H has not provided enough compelling evidence to demonstrate that she was most likely scammed. All I can be satisfied of is that she purchased cryptocurrency – which by itself, is not a scam. I do appreciate Miss H says most of her interactions with the alleged scammer happened over the phone but I do find it unusual that she has no written evidence of what it was she was getting involved with, particularly as she says she didn't agree to pay either straight away and first carried out independent checks into both N and C before sending any money to them. I would have expected at least some evidence of Miss H's dealings with N and C.
- Finally, some banks and PSPs may now choose not to allow transactions such as those Miss H made, because of the risks involved. But the fact remains that this was not an illegal activity and Revolut did not prohibit payments to cryptocurrency exchanges. I also have to consider that there is no evidence here that Miss H was not of sound mind or incapable of making investment decisions, whether that be high-risk ones or less so.
- As explained previously, PSPs like Revolut have expectations to help identify risks of fraud and scams; it is not to give investment advice or protect consumers from bad bargains. Ultimately, Miss H paid legitimate cryptocurrency exchanges. To that end, I cannot safely conclude that Revolut acted unfairly or unreasonably by not intervening to ask questions about the transactions before letting them go as I am not satisfied they were made as the result of a scam.

My final decision

My final decision is, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss H to accept or reject my decision before 25 April 2024.

Dolores Njemanze
Ombudsman