

The complaint

Mr E complains that Revolut Ltd (“Revolut”) won’t refund over £45,000 he 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 will 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 Mr E authorised the disputed payments he made from his Revolut account as part of the scam. 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’ve done more to prevent Mr E from falling victim to the scam, as there are some situations in which a firm should reasonably have had a closer look at the circumstances surrounding a particular transfer. For example, if it was particularly out of character.
- It’s accepted that some of the payments Mr E made were unusual given that they did trigger Revolut’s fraud prevention systems and were automatically blocked pending further enquiry – such as the payment of £5,000 that was attempted on or around 22 November 2022. Accordingly, it’s just a question of whether Revolut went far enough in all the circumstances with its intervention.
- When Mr E made the £5,000 payment, he was asked to provide a reason for it, to which he said he was transferring money to a ‘safe account’. This prompted Revolut to probe further into the circumstances of the transaction, as transferring money to a safe account is often a sign of someone being scammed. But when it sought further clarification, Mr E told Revolut that the payment was for a building project. He said he wasn’t using any shared wallet applications (despite transferring money to a cryptocurrency wallet) and also said that he hadn’t been contacted by anyone telling him to create a Revolut account, despite having newly opened the account for the purpose of making payments towards his investment.
- So, it’s clear that Mr E was not honest with Revolut when it probed further into the reasons for the payment. I appreciate this was because he had been coached by the scammer to lie if he was questioned about the payments. But I’m not persuaded there was anything further Revolut could’ve done to prevent the scam in these circumstances.

- I accept that Revolut could have gone further with its questioning, and that it should've also intervened in subsequent payments to understand why Mr E was making them, particularly as it would be unusual to pay a cryptocurrency platform if someone was building a house, and because he'd previously said he was using the account to invest. However, in light of the answers he'd given Revolut, I'm not persuaded Mr E would've been forthcoming with the true nature of what he was doing even if it had probed any further. Indeed, I note that he didn't provide a truthful answer when he was questioned by another bank in relation to the same scam as well.
- As a result, I don't consider it would be fair and reasonable to hold Revolut liable for Mr E's loss, because it seems more likely than not that he would have continued to provide misleading answers even if Revolut had questioned him further or intervened on any subsequent payments.
- I also don't think there was anything more Revolut could've done to recover the money Mr E lost either. In terms of the debit card payments, a chargeback claim would've had little prospect of succeeding given Mr E would've received the asset he purchased (i.e. the cryptocurrency). Similarly, for the faster payments, there would've been no prospect of recovering the money from the receiving accounts either, given the accounts were controlled by Mr E, who had already transferred the funds on to the scammer by the time the fraud had been reported.

I appreciate this will likely come as a disappointment to Mr E, and I'm sorry to hear he has been the victim of a cruel scam. However, I'm not persuaded 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 E to accept or reject my decision before 21 February 2024.

Jack Ferris
Ombudsman