

The complaint

Mr A complains that Revolut Ltd (“Revolut”) have failed to refund money that Mr A lost as part of an investment scam.

What happened

Mr A clicked on an online advert for a company that said it as a trading firm that I will call B he filled in his details and was contacted by someone who said he was a trader. From what I understand he made the following payments to a cryptocurrency exchange the funds were used to buy cryptocurrencies which were then forwarded onto B.

The transactions made were as follows;

Transaction Number	Date	Merchant	Amount	Running Total
1	09/09/2022	Exchange Point	£5,000	£5,000
2	15/09/2022	Exchange Point	£5,250	£10,250

After seeing his balance with B increase for a few weeks it then declined sharply and Mr A attempted to withdraw some of the funds but was told that he could not do this. At this point Mr A realised that he had been scammed.

Mr A raised a complaint with Revolut as he believed that Revolut should have stopped him from making the payments in question.

One of our investigators looked into this matter and they decided that the transactions were not sufficiently out of character to warrant an intervention by Revolut and that there was no other means of Revolut recovering the funds.

Mr A did not agree with this and therefore his 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:

It isn't in dispute that Mr A authorised the disputed payments he made to Exchange Point (where his funds were subsequently transferred on to the scammer from his crypto wallet). 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 have done more to prevent Mr A from falling victim to the scam, as there are some situations in which Revolut should reasonably have had a closer look at the circumstances surrounding a particular transfer. For example, if it was particularly out of character. However, in this instance Mr A's account was newly opened and therefore Revolut could not compare the transactions in question with other transactions. The transactions in themselves were also not large enough, without others to compare to, to have prompted intervention from Revolut, they were also spaced out rather than taking place on the same day.

Finally given the transactions were not completely incongruous with the reason Mr A gave as to why he opened the account which was to "*spend and save*". So, I do not think the payments he is disputing should have been regarded as particularly unusual.

So, having considered the payments Mr A made, I'm not persuaded there was anything that ought reasonably to have triggered Revolut's fraud monitoring systems or that would have indicated he was in the process of being scammed. I therefore do not consider there to have been any obligation on Revolut to have intervened any further.

I've also thought about whether Revolut did enough to attempt to recover the money Mr A lost, as the payments were made with a debit card there are some circumstances where a chargeback would be successful.

But in this case, I do not believe that a chargeback would not have been successful, as the transaction Mr A used his debit card for was to pay Exchange Point for cryptocurrency which he duly received. Mr A has not provided anything that demonstrates that he was not provided with the service he paid for.

I appreciate this will come as a disappointment to Mr A, and I'm sorry to hear he has been the victim of a cruel scam. However, I'm not persuaded that 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 A to accept or reject my decision before 24 November 2023.

Charlie Newton
Ombudsman