

The complaint

Mr M complains that Revolut Ltd has declined to refund him payments he made as part of a scam.

What happened

Mr M has a representative bringing this complaint on his behalf, for clarity I'll refer to comments made by his representative as his own.

Mr M had previously invested money in what now appears to be a scam. Following this he was told by a company that they would help him access his profits.

He opened an account with Revolut and when he initially attempted to make payments to cryptocurrency platforms these were declined. Revolut verified Mr M in an in-app chat and discussed the payments. At this point Mr M confirmed he is investing in cryptocurrency without anyone else's help.

Mr M then received a letter from the scammers explaining he needed to pay some tax on his capital gains and following this he made further payments to different cryptocurrency platforms.

When Mr M initially reported the fraud he said he didn't make the payments, but he now says he did. He's also explained that when he told Revolut that he hadn't downloaded remote access software and that he was investing without any help, he was being coached by the scammers who could see his chat.

Mr M has also said that he is vulnerable due to his age and health concerns. And that Revolut ought to have done more to identify the scam, educate/warn him and protect him.

Revolut declined to provide a refund – in summary it said a chargeback could not be raised in the circumstances as the payments were authorised and the funds were received into the accounts instructed successfully.

When Mr M complained to our service the investigator didn't uphold the complaint. In summary they agreed Revolut ought to have done more to intervene, but they weren't persuaded this would have prevented Mr M's loss in the circumstances.

Mr M didn't agree and so the matter has been passed to me to decide.

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'm not upholding this complaint. I appreciate this will be disappointing for Mr M and I recognise how distressing these scams can be for the victim.

As Mr M accepts the payments were authorised, the starting point in law is that he isn't

entitled to a refund. However, there are some exceptions to this and so I have considered whether Revolut acted reasonably and in line with good practice at the time.

Having done so, I think Revolut ought to have done more to intervene based on the account activity and contact with Mr M. However, I won't go into detail around the point at which I think Revolut ought to have done more – this is because our service isn't a regulator, and it isn't our role to penalise businesses. And so, it would only be fair to make an award in the circumstances if I thought that an appropriately timed proportionate intervention would have likely prevented Mr M's loss.

I can't know for sure what would have happened, and so I need to make a finding on what I think is more likely than not to have happened based on the evidence available. In this case, Mr M has been inconsistent in what he's told Revolut, and at the beginning (before any of the successful payments) Mr M confirmed he was investing in cryptocurrency without anyone's help, direction, or remote access. He's also told us that he misled Revolut because he was being coached by the scammers. I'm also conscious that Mr M continued to make payments after having his own concerns and that he was persuaded by the scammer to continue making payments in relation to what he thought was a tax obligation. With this in mind, I think it's more likely than not that if Revolut had intervened again, Mr M would have continued to provide responses coached by the scammers. And as the scammer's aim would have been to prevent Revolut from identifying the scam and allowing further payments, the responses would likely have been designed to reassure Revolut and therefore would be unlikely to cause Revolut to provide relevant warnings or prevent the payments.

I understand Mr M says Revolut should have called him. But for clarity other than Mr M's age, I can't see that Revolut ought to have been aware of any potential vulnerabilities. So I don't think Revolut has acted unreasonably by not departing from its normal methods of communication.

My final decision

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

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

Stephanie Mitchell
Ombudsman