

The complaint

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

Mr N has a representative but for ease of reading I will mainly just refer to Mr N.

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, Mr N found an advert for a trading platform that I will call B. Mr N made a number of debit card payments to a crypto exchange totalling over £450,000 between December 2022 and January 2023. My understanding is that the funds were converted to crypto and then sent on to B.

The funds for these transactions were sent to Mr N’s Revolut account from an account that he holds with a different institution.

Mr N asked Revolut to refund these payments as he believes Revolut should have done more to prevent him from being scammed. Revolut did not agree with this.

One of investigators looked into this matter and she thought that Revolut should have intervened and asked probing questions but as Mr N said the scammer was controlling Mr N’s computer via remote access any warnings or interventions would not have stopped the scam.

Mr N did not agree with this and therefore his 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 Mr N authorised the disputed payments he made from his Revolut account, The payments were requested by him using his 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 Mr N 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.

Revolut intervened in relation to the first payment Mr N attempted to make, where it asked him the following;

- whether he had used been asked to install any apps such as AnyDesk
- the purpose of the transaction to Binance,
- why he opened a Revolut account,
- had he received any calls telling him to create a Revolut account.
- did he have sole access to his Binance account

The answers that were provided to Revolut were

- no
- personal Investments in Crypto
- For international transfers and he wanted a virtual card
- No
- Yes

Mr N has said that it was the scammer answering the questions but importantly Mr N was asked to provide a photo with him holding a sheet of paper with a code and date on it. Mr N supplied this photo. Therefore, I don't think Revolut ought reasonably to have had further cause for concern. And even if it had probed further, it seems unlikely that Mr N or the scammer would've been upfront with what he was doing.

I say this especially as I have listened to the calls between Mr N and the other firm and Mr N actively misled that firm as to the purpose of the payments. Also he did not stop from making the transactions despite being warned by the other firm that they might be a scam. So even had Revolut spoken directly to Mr N I don't think that the scam would have been uncovered. Also even had Revolut provided a general warning I don't think that this would have stopped the scam as he was clearly under the spell of the scammer.

Therefore, even if Revolut ought to have done more, I don't think its failure to probe further could reasonably be considered as the proximate cause of Mr N's loss in these circumstances, as it seems likely he or the scammer would have given misleading information and proceeded to make the transactions irrespective of any intervention.

I've also thought about whether Revolut could have done more to recover the funds after Mr N reported the fraud. However, in these circumstances, Mr N transferred money to his own crypto account to purchase crypto which he duly received a chargeback.

I appreciate this will likely come as a disappointment to Mr N, and I'm sorry to hear he have 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 N to accept or reject my decision before 11 April 2024.

Charlie Newton
Ombudsman