

The complaint

Mrs M complains that Revolut Ltd (“Revolut”) won’t refund over £80,000 she lost to a cryptocurrency 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 Mrs M authorised the disputed payments she made to her crypto wallets from her Revolut account (where her funds were subsequently transferred on to the scammer). The account transfers and debit card payments were requested using her legitimate security credentials provided by Revolut, and the starting position is that firms 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 Mrs M 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 Mrs M made as part of the scam were considered unusual given that they did trigger Revolut’s fraud prevention systems and were automatically blocked pending further enquiry – such as those made on 16 March 2023 and again on 27 April 2023. I accept that Revolut ought reasonably to have intervened prior to this, however, given Mrs M was making large payments in February 2023 that Revolut would’ve seen were going to cryptocurrency platforms. And given the increase in cryptocurrency scams, which Revolut would’ve been aware of by February 2023, I think it should have made further enquiries sooner and provided Mrs M with a tailored cryptocurrency scam warning. However, even if it had done so, I’m not persuaded it would have ultimately prevented the scam or any further loss. I’ll explain why.
- Revolut asked Mrs M about the purpose of her payment on 16 March 2023, She said it was for an investment, and was presented with an investment scam warning telling her to verify who she was dealing with. However, she still proceeded with the payment. Revolut also asked further questions of Mrs M about the payment she was making on 27 April 2023, where she was told that the payment presented a significant risk. Revolut asked her questions such as whether she had downloaded Anydesk or was being encouraged to invest by someone she doesn’t know. She was also asked if she had been promised any unrealistic returns.

- Mrs M answered 'No' to all of these questions. However, she has told out service that she was instructed to download Anydesk and was assisted in setting up her crypto accounts, and it's clear that she was being encouraged to invest by someone she didn't know. So, it's clear Mrs M was not providing upfront and honest answers in response to Revolut's questions. I note that it also told her to carry out research and to proceed with caution, and she acknowledged that she had been warned about the scam risks associated with the payment. Mrs M also said she had previously carried out her own research into the broker and found mainly positive reviews.
- As a result, I'm not persuaded any earlier intervention, further probing or warnings Revolut could've provided would have likely revealed the scam. I accept it's possible that Mrs M may have been coached by the scammer to lie if she was questioned about the payments, which can be fairly common in these sorts of investment scams. But it was based upon the answers she gave that Revolut was satisfied the payments weren't likely being made as part of a scam. I accept it could have gone further and provided a tailored cryptocurrency scam warning when Mrs M told it that she was buying cryptocurrency. But even if it had probed further in order to provide such a warning, I'm not persuaded she would've given honest answers or taken any notice of a scam warning, as she didn't when she was questioned/warned on 27 April 2023, which I note was *after* she initially suspected she was being scammed, but proceeded to make further payments in any event.
- I also don't think there was anything more Revolut could've done to recover the money Mrs M lost. In terms of the debit card payments, a chargeback claim would've had little prospect of succeeding given Mrs M received the asset she had purchased (i.e. the cryptocurrency). Similarly, for the transfers, there would've been no prospect of recovering the money from the receiving accounts either, given we know these accounts were controlled by Mrs M, who had already transferred the cryptocurrency on to the scammer by the time the fraud had been reported.

I appreciate this will likely come as a disappointment to Mrs M, and I'm sorry to hear she has been the victim of a cruel scam. However, I'm not persuaded Revolut can fairly or reasonably be held liable for her 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 Mrs M to accept or reject my decision before 9 April 2024.

Jack Ferris
Ombudsman