

## **The complaint**

Mr T complains that Revolut Ltd didn't do enough to protect him from the financial harm caused by an investment scam company, or to help him recover the money once he'd reported the scam to it.

## **What happened**

The detailed background to this complaint is well known to both parties. So, I'll only provide a brief overview of some of the key events here.

In September 2022, Mr T came across an advert for an investment company I'll refer to as "M". The advert claimed M was a 'worldwide digital asset investing organization' and promised returns from investing in cryptocurrency which were better than those offered by the bank. Mr T completed an online contact form and was contacted by someone claiming to be a broker. Mr T didn't want to be pressured into investing, but he decided to go ahead as he was hoping he'd be able to pay off his mortgage early, and the broker told him he'd see a steady growth from his investment.

Mr T told to open an account with Revolut and to download AnyDesk remote software to his device so the broker could take over his laptop to show him the trading platform. The broker told him to first purchase cryptocurrency through a cryptocurrency exchange company and then load it onto an online wallet. Between 16 August 2022 and 1 October 2022, he made 17 payments to two cryptocurrency exchange companies totalling £59,491.59 using a Visa debit card connected to his Revolut account.

When Mr T tried to make a withdrawal, he was told he would have to pay Capital Gains Tax in the sum of £9,600, which would eventually be refunded. The broker said he could pay it in three instalments, but he ultimately refused to make the payment and eventually realised he'd been scammed.

Mr T complained to Revolut with the assistance of a representative who argued that Revolut had failed to intervene on 17 separate occasions and in doing so it had failed to protect Mr T from fraud. His representative said Revolut failed to question why Mr T was transferring such large sums of money into a recently opened account and then transferring it out again. They said the activity was unusual as he began sending high-value payments in quick succession to a new payee and the fact it was a new account was a cause for concern, as scammers often instruct people to open Revolut accounts.

They said it should have asked probing questions such as why he was making the payments, how he found out about the investment opportunity, whether he'd checked the Financial Conduct Authority ("FCA") website, whether he'd been promised unrealistic returns, whether he'd received any withdrawals and whether he'd been pressured to make the payment. And with the information it should have realized Mr T was likely falling victim to an elaborate investment scam.

Revolut refused to refund any of the money Mr T had lost and explained it didn't raise a chargeback request because he didn't submit a detailed description of the claim.

Mr T wasn't satisfied and so he complained to this service. He said Revolut didn't properly investigate his claim and he authorised the payments in the belief the investment was genuine, having received no effective warning or 'pop-up warnings'. He said that if he had any inclination that the investment was a scam, he wouldn't have gone through with the payments.

Our investigator didn't think the complaint should be upheld. She said Mr T hadn't provided enough evidence that the investment was a scam, apart from his testimony. She asked Mr T to provide evidence of communication with the scammers such as emails, chats, messages, withdrawal request, cryptocurrency wallet statements, or evidence of trading accounts and without such evidence she was unable to say Revolut had treated Mr T unfairly.

Mr T has asked for his complaint to be reviewed by an Ombudsman. He's explained he was told he'd made £30,000 profit but he was asked to pay Capital Gains Tax, which he was unable to pay. He said Revolut has refunded millions to its customers and the scam was very sophisticated.

### **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've reached the same conclusion as our investigator. And for largely the same reasons. I know he feels strongly about this complaint, and this will come as a disappointment to him, so I'll explain why.

I've thought about whether Revolut could have done more to recover Mr T's payments when he reported the scam to it. Chargeback is a voluntary scheme run by Visa whereby it will ultimately arbitrate on a dispute between the merchant and customer if it cannot be resolved between them after two 'presentments'. Such arbitration is subject to the rules of the scheme — so there are limited grounds on which a chargeback can succeed. Our role in such cases is not to second-guess Visa's arbitration decision or scheme rules, but to determine whether the regulated card issuer (i.e. Revolut) acted fairly and reasonably when presenting (or choosing not to present) a chargeback on behalf of its cardholder (Mr T).

Mr T's own testimony supports that he used cryptocurrency exchanges to facilitate the transfers. It's only possible to make a chargeback claim to the merchant that received the disputed payments. It's most likely that the cryptocurrency exchanges would have been able to evidence they'd done what was asked of them. That is, in exchange for Mr T's payments, they converted and sent an amount of cryptocurrency to the wallet address provided. So, any chargeback was destined fail, therefore I'm satisfied that Revolut's decision not to raise a chargeback request against either of the cryptocurrency exchange companies was fair.

Not every complaint referred to us and categorised as an investment scam is in fact a scam. Some cases simply involve high-risk unregulated investments that resulted in disappointing returns or losses. Some of these investments may have been promoted using sales methods that were arguably unethical and/or misleading. However, while customers who lost out may understandably regard such acts or omissions as fraudulent, they do not necessarily meet the high legal threshold or burden of proof for fraud, i.e. dishonestly making a false representation and/or failing to disclose information with the intention of making a gain for himself or of causing loss to another or exposing another to the risk of loss (Fraud Act 2006).

I've considered the available evidence and I agree with our investigator that Mr T hasn't shown he was the victim of a scam. I note there is information online suggesting M was operating a scam and that his description of having been asked to download remote access

software and to pay undisclosed fees to withdraw funds is consistent with what we would expect when someone has been scammed. But our investigator made it clear that she'd need evidence of communication with the scammers such as emails, chats, or WhatsApp messages. She also asked for evidence of Mr T's loss, which might include screenshots of the scam trading platform, screenshots of the cryptocurrency wallet showing an onward payment to the scammer's wallet, or withdrawal requests or other interactions relating to the unsuccessful withdrawal requests, but Mr T hasn't produced this.

I have seen one email to Mr T from M, which I accept shows he had dealings with M. But I agree with our investigator this isn't sufficient evidence that he was a victim of a particular scam. Mr T has said he lost £59,491 to a scam, but the evidence he's produced doesn't show he transferred this amount of money from his own cryptocurrency account to a scammers wallet or that he was unable to withdraw available funds on request. Without this evidence, I'm not satisfied, on balance, that he has shown he was victim to a particular scam. Therefore, I can't fairly ask Revolut to do anything further to resolve this complaint.

Overall, I'm satisfied Revolut took the correct steps prior to the funds being released – as well as the steps it took after being notified of the potential fraud. I'm sorry to hear Mr T has lost money and the effect this has had on him. But for the reasons I've explained, I don't think Revolut is to blame for this and so I can't fairly tell it to do anything further to resolve this complaint.

### **My final decision**

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T to accept or reject my decision before 14 December 2023.

Carolyn Bonnell  
**Ombudsman**