

## **The complaint**

Mr W complains that Revolut Ltd (“Revolut”) won’t refund around £200,000 he lost to an investment scam beginning in December 2022.

## **What happened**

The details of this complaint are well known to both parties, so I won’t repeat everything again here. In brief summary, Mr W fell victim to a scam after seeing an advert for a cryptocurrency investment opportunity on social media. He registered his details and received a call from a scam broker, who encouraged him to invest.

The scammer helped Mr W set up his trading account and cryptocurrency wallets using Anydesk (remote access software). He was told to send money to his crypto account, where he would then send it on to his ‘trading account’ with the scammer. Between December 2022 and April 2023, Mr W made numerous payments using his Revolut payment card to his cryptocurrency wallet, totalling around £200,000.

Mr W realised he had been scammed when he was unable to withdraw any of his investment. He reported the fraud to Revolut, but it said it wouldn’t refund the transactions as Mr W had authorised them. It also said that it did stop several payments and even spoke to Mr W, but that he had given assurances about the legitimacy of the transaction, so it wouldn’t be accepting liability. Unhappy with this, Mr W referred the matter to our service

Our investigator didn’t uphold the complaint. She noted that Mr W had not been upfront or honest with Revolut when it questioned him about the payment, so she didn’t think any earlier intervention or warning would have likely revealed the scam. Mr W disagreed, so the matter has been escalated to me to determine.

## **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 W authorised the disputed payments he made to his crypto wallet from his Revolut account (where his funds were subsequently transferred on to the scammer). The debit card payments were requested using his 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 Mr W 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 Mr W made as part of the scam were considered unusual given they did trigger Revolut's fraud prevention systems and were automatically blocked pending further enquiry – such as the payment he made on 7 February 2023. I accept that Revolut ought reasonably to have intervened prior to this, however, given Mr W was making large and unusual payments in January 2023 that Revolut would've known were going to a cryptocurrency platform. And given the increase in cryptocurrency scams, which Revolut would've been aware of by January 2023, I think it should have reasonably made further enquiries sooner, and at least provided Mr W 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.
- When Revolut spoke to Mr W on 7 February 2023, it asked him questions such as whether anyone had asked him to download Anydesk, the nature and purpose of the account; and whether he had received a call from anyone encouraging him to open a Revolut account or to make outbound transfers. Mr W told Revolut that he did have Anydesk, and said he had been using it to connect to his other devices to share a book he was writing. Revolut also asked if he had been offered any kind of investment. He said that he hadn't, but that he was using his account for investment purposes. However, what Mr W told Revolut wasn't true, as he had been offered an investment, and he failed to disclose that there was a broker involved who had told him to download Anydesk, and that this was used to help set up his crypto wallet.
- Revolut went on to ask Mr W whether he had been contacted or encouraged to invest by someone he doesn't know or had met online recently. Mr W told Revolut that he had not, despite this being untrue, as he was being encouraged to invest by someone he didn't know. He said he was trading by himself and that he took full responsibility over his cryptocurrency account. So, it's clear Mr W was not providing upfront and honest answers in response to Revolut's questions. I note that he also threatened to contact the police if Revolut didn't allow him to make his payments.
- As a result, I'm not persuaded any earlier intervention, clearer questioning, or specific cryptocurrency investment scam warning Revolut could've provided would have likely revealed the scam. I accept it's likely that Mr W may have been coached by the scammer to lie if he was questioned about the payments, which can be fairly common in these sorts of investment scams. But it was based upon the answers he gave that Revolut was satisfied the payments weren't likely being made as part of a scam. I appreciate it could have gone further with its questioning and provided a tailored cryptocurrency scam warning when Mr W said he was investing in cryptocurrency. But even if it had, it seems unlikely Mr W would've taken much notice of the warning, given he hadn't been honest with Revolut and was likely following the scammer's instructions.
- I also don't think there was anything more Revolut could've done to recover the money Mr W lost. A chargeback claim would've had little prospect of succeeding, for example, given Mr W would've received the asset he had purchased (i.e. the cryptocurrency). So, I don't consider Revolut acted unreasonably by failing to pursue a chargeback claim either.

I appreciate this will likely come as a disappointment to Mr W, and I'm sorry to hear he has been the victim of a cruel scam. However, I'm not persuaded 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 W to accept or reject my decision before 15 April 2024.

Jack Ferris  
**Ombudsman**