

The complaint

Mr H complains that Revolut Ltd (Revolut) is refusing to refund him the amount he lost as the result of a scam.

Mr H is being represented by a third party. To keep things simple, I will refer to Mr H throughout my decision.

What happened

The background of this complaint is well known to all parties, so I won't repeat what happened in detail.

In summary, Mr H was searching online for cryptocurrency investments when he came across the company Weston-Ridge (X). The website looked professional and interested in the opportunity Mr H paid an initial £500 start-up fee from an account the held at another bank.

Mr H then received an initial call from X asking about his goals. This call was followed by another call from X when the investment opportunity was explained in detail and Mr H was given the opportunity to ask any questions he had.

X was very persuasive and appeared to be a legitimate business. X explained it could get started once Mr H had provided the necessary identification documents which he did.

X then asked Mr H to download the remote access software AnyDesk from which X helped him to open his account with Revolut and Crypto wallets.

Mr H started to make payments as advised by X and could see he was making a reasonable profit. X explained that the more Mr H invested the more profits would be gained. Mr H continued to make further payments on X's advice.

Mr H then enquired about making increased profits and was told he would have to invest substantially more to work with more experienced traders. Encouraged by the success he appeared to be having Mr H continued to invest larger sums.

Mr H's investment continued to grow but when he attempted to make a withdrawal, he lost access to his trading account and communication with X stopped.

Mr H made several payments to Clear Junction and Paybis that were reversed, so I have not considered them in my decision. Mr H also made the following payments from his Revolut account to another account in his own name as directed by X:

<u>Date</u>	<u>Payee</u>	<u>Payment Method</u>	<u>Amount</u>
13 January 2022	Wise (Mr H)	Transfer	£980.00
14 January 2022	Wise (Mr H)	Transfer	£5,300.00
14 January 2022	Wise (Mr H)	Transfer	£8,200.00
14 January 2022	Wise (Mr H)	Transfer	£8,800.00

18 January 2022	Wise (Mr H)	Transfer	£20,000.00
19 January 2022	Wise (Mr H)	Transfer	£20,000.00
20 January 2022	Wise (Mr H)	Transfer	£10,000.00
21 January 2022	Wise (Mr H)	Transfer	£20,500.00
24 January 2022	Wise (Mr H)	Transfer	£10,000.00
18 February 2022	Wise (Mr H)	Transfer	£25,000.00
21 February 2022	Wise (Mr H)	Transfer	£1,000.00
4 March 2022	Wise (Mr H)	Transfer	£30,250.00
4 March 2022	Wise (Mr H)	Transfer	£300.00

Our Investigator considered Mr H's complaint and didn't think it should be upheld. Mr H disagreed, so this complaint 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.

It has not been disputed that Mr H has fallen victim to a cruel scam. The evidence provided by both Mr H and Revolut sets out what happened. What is in dispute is whether Revolut should refund the money Mr H lost due to the scam.

Recovering the payments Mr H made

Mr H made the payments by transfer. When payments are made by transfer Revolut has limited recovery options available to it. Revolut can contact the operator of the recipient's account to request a refund of any funds that remain in that account. But Mr H made the payments to another account in his own name, so if any funds did remain in the account, they would remain within Mr H's control.

With the above in mind, I don't think Revolut had any reasonable options available to it to recover the payments Mr H made.

Should Revolut have reasonably prevented the payments Mr H made?

It has been accepted that Mr H authorised the payments that were made from his account with Revolut, albeit on X's instruction. So, the starting point here is that Mr H is responsible.

However, banks and other Payment Services Providers (PSPs) do have a duty to protect against the risk of financial loss due to fraud and/or to undertake due diligence on large transactions to guard against money laundering.

The question here is whether Revolut should have been aware of the scam and stepped into question Mr H about the payments he was making. And if it had questioned Mr H, would it have been able to prevent the scam taking place.

I can see that Mr H would have seen online warnings when making the payments he did from his Revolut account. But considering the significant value of the payments I would have expected Revolut to have intervened and discussed the payments Mr H was making with him.

Even if Revolut had intervened as I think it should have, I don't think it would have made a difference. Mr H was also making payments in relation to the scam from an account he held elsewhere. The bank he was making those payments from did intervene and questioned Mr H about the payments he was making.

Mr H confirmed he was making a payment to a new account he had opened, that no one had opened the account for him, and that he had not allowed access to any of his devices to anyone but Microsoft.

The answers Mr H gave were not correct as he has told us when making his complaint that X had opened the Revolut account for him using remote access software.

It is unclear why Mr H gave dishonest answers during this call, but I think it's most likely he would have given similar responses to Revolut had it asked him similar questions. This would have made it difficult for Revolut to uncover the scam that was taking place.

With the above in mind, I don't think Revolut missed an opportunity to prevent the scam and it is not responsible for Mr H's loss.

My final decision

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 26 July 2024.

Terry Woodham
Ombudsman