

The complaint

Mr M complains that Revolut Ltd has declined to reimburse him for payments made as part of an investment scam.

What happened

For the purposes of this decision, I'll refer to Mr M in relation to both his submissions and that of his professional representatives.

Mr M says that he saw an advert on social media for an investment and contacted the company for more information. After speaking to someone there (who I'll refer to as the scammer) Mr M agreed to open an account with Revolut and with a cryptocurrency exchange platform. He was also persuaded to download remote access software and on 4 March 2022 he gave the scammer access to his phone and Revolut account in order to make a payment of £1,000 on his behalf.

Mr M continued to provide the scammer with access to his phone / account to show him his profits. He says that while the scammer was accessing his phone he couldn't see what they were doing. In total over £45,000 was sent from Mr M's Revolut account over 12 payments.

Mr M says he recalls seeing a message on his phone after the remote access had ended and realising how much money he'd lost. On 19 March 2022 Mr M reported the scam.

Revolut declined Mr M's claim, in summary it said:

- Mr M had effectively authorised the payments by giving a third-party access to his accounts.
- There was nothing unusual for it about these types of payments to a cryptocurrency platform as Revolut is mainly used for money transfers. And the funds went to an account in Mr M's own name.
- Paying "law enforcement services" was selected as the first payment purpose so a different scam warning was provided than if the correct reason had been chosen.
- Mr M took steps to verify the cards that were used to top up his account.
- Mr M should have undertaken appropriate investment research – if he had he would have seen there was a Financial Conduct Authority warning from January 2022 about the company he was in contact with.
- When Revolut contacted the cryptocurrency platform to recover the funds it was informed no funds remained.

When Mr M complained to our service, the investigator didn't uphold the complaint. In summary, they thought that Revolut ought to have done more to identify the transactions as suspicious and intervened. But they also thought any intervention or warnings would have been ineffective as it was the scammer who was making the payments and who would have engaged with those messages. So, they didn't think that an appropriate level of intervention would have prevented Mr M's loss.

Mr M didn't agree, he said:

- He was extremely unwell and vulnerable at the time.
- Revolut could have detected the use of the remote access software and should have called him which would have unravelled the scam and prevented further loss.
- It should have been a “red flag” that paying “law enforcement services” was selected for a payment going to a cryptocurrency provider. Revolut was aware of cryptocurrency scams at the time.

The matter was passed to me for consideration by an ombudsman and I issued my Provisional Decision on 23 November 2023. Here I explained why I didn’t intend to uphold the complaint and I addressed Mr M’s additional points.

Both parties responded with no further information or evidence.

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.

As no further information has been provided, my findings are the same as in my provisional decision. It remains that I’m not upholding this complaint for the following reasons:

- It doesn’t appear to be in dispute that the payments were authorised. But for clarity, I think it is fair for Revolut to have treated them as authorised. This is because Mr M gave a third-party access to his Revolut account for the purpose of making payments. Whilst it isn’t clear what steps he took on each occasion, there’s no evidence to suggest he took any steps to remove this access, so I think most people would have realised this meant the third party could continue to make payments on their behalf.
- The screenshots provided of Mr M’s messages with the scammer appear to be on an Android device. Revolut has let our service know which version of its App first enabled it to detect that the specific remote access software referenced here was being used on a device – and for Androids this was released in May 2022. So, on the evidence available, I don’t think Revolut would have been aware that this was being used in March 2022. I therefore don’t think Revolut would have known that its normal method of communicating with customers through the App wouldn’t have been appropriate in the circumstances.
- I agree that it would have appeared suspicious for paying “law enforcement services” to have been selected in the circumstances. I also think the activity here ought to have been treated as potentially suspicious given the pattern, volume, and amounts involved. However, this doesn’t automatically mean that Revolut are responsible for Mr M’s losses.
- In order for it to be fair for me to make an award here, I would need to be persuaded that if Revolut had taken appropriate steps this would likely have prevented Mr M’s losses. In the circumstances I don’t think it would have because Mr M has described not being able to see the activity taking place on his phone when the scammer was accessing his phone. And so, any further questions about the payments or warnings would have been seen and answered by the scammer rather than Mr M. I think it’s likely that the scammer would have answered any questions with the aim of facilitating the payments and ignored any warnings in the knowledge of what they were doing.
- I’m sorry to hear that Mr M was unwell at the time, I understand he has some serious underlying health conditions. In the circumstances, this was a newly opened account and there’s no suggestion that Revolut was aware that Mr M may be vulnerable. So, I don’t think this changes what I’ve set out above.

- Revolut took appropriate steps to recover Mr M's funds, but as they had already been utilised it wasn't able to do so.

For these reasons I don't think Revolut needs to do anything further to put matters right.

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 27 December 2023.

Stephanie Mitchell
Ombudsman