

The complaint

Mrs P has complained, via a representative, that Revolut Ltd (“Revolut”) have failed to refund the money she lost as part of an investment scam.

What happened

The details of this complaint are well known to both parties, so I will not repeat everything again here. Instead, I will focus on giving the reasons for my decision.

In summary though, Mrs P was contacted by a trading company that I will call B. Mrs P signed up online and received a call from B. B then persuaded Mrs P to send funds to a number of crypto exchanges via debit card. These funds were then used to purchase crypto and were then sent on to B.

When she was unable to withdraw her funds from B, Mrs P was contacted by a company that I will call D that said it could recover her funds if she paid it to do so.

The payments that Mrs P made in relation to the scam were as follows;

Transaction Number	Date	Type of Payment	Amount
1	17 March 2023	Card Payment	£7,000
2	17 March 2023	Card Payment	£7,000
3	17 March 2023	Card Payment	£7,000
4	17 March 2023	Card Payment	£5,000
5	24 March 2023	Card Payment	£7,000
6	24 March 2023	Card Payment	£1,700
7	24 March 2023	Card Payment	£5,000
8	24 March 2023	Card Payment	£11,300
9	30 March 2023	Card Payment	£10,000
10	30 March 2023	Card Payment	£3,600
11	31 March 2023	Card Payment	£4,750
12	31 March 2023	Card Payment	£2,000

When Mrs P did not receive any recovered funds from D despite sending crypto to D. Mrs P realised that she had been scammed.

Mrs P asked Revolut to refund these payments as she believes Revolut should have done more to prevent her from being scammed. Revolut did not agree with this.

One of investigators looked into this matter and he thought that due to the answers that Mrs P provided when Revolut did intervene on 17 March 2023, that Revolut could not have prevented the scam.

Mrs P did not agree with this and therefore her complaint has been passed to me to issue a 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 P authorised the disputed payments she made from her Revolut account. The payments were requested by her using her legitimate security credentials provided by Revolut, and the starting position is that Revolut ought to follow the instructions given by its customers, in order for legitimate payments to be made as instructed.

However, I've considered whether Revolut should have done more to prevent Mrs P from falling victim to the scam, as there are some situations in which it should reasonably have had a closer look at the circumstances surrounding a particular transaction. For example, if it was particularly out of character.

In this instance Mrs P's Revolut account was relatively new. So Revolut did not have enough information to say what Mrs P's usual activity looked like. That said, I agree that Revolut should have queried the transactions in question, which it duly did on 17 March 2023 and I think it should have intervened further when larger transactions were made later on in the scam. But had it done so I don't think that any interventions or warnings would have uncovered the scam.

I say this because of the answers that Mrs P gave when Revolut asked her questions about the payments on 17 March 2023. Mrs P confirmed that she had done her own research and she was interested in buying crypto for herself. Mrs P was asked if she was investing on advice from a third-party and Mrs P said she was not. Mrs P was asked if she had installed remote access software, again Mrs P said that she had not. She also said that she was responsible for her own actions and just wanted to make the payments as the price of Bitcoin was increasing. So, I think that the answers that Mrs P gave reassured Revolut that Mrs P was not being scammed. Had Revolut asked more questions or intervened again I think it likely, albeit on balance, that Mrs P would've answered the questions in the same way, which in turn would not have made Revolut aware that she was being scammed.

As Mrs P said she was investing in crypto on her own advice, I think that any warning provided would have been a general warning about the dangers of investing in crypto. I don't think that a general warning about the dangers of investing in crypto would have altered her decision to go ahead with the scam. I say this because she was clearly under the spell of the scammer at the time, or at the very least, she still clearly believed it to be a genuine investment whereby time was of the essence, to ensure she didn't miss out on any 'profit'.

I've also thought about whether Revolut could have done more to recover the funds after Mrs P reported the fraud. But in this instance, although the payments were made using a debit card, a chargeback claim would not have been successful anyway, as she received the crypto she had paid for. It was only when Mrs P transferred the crypto on to both scammers did the loss occur.

Revolut are also under no obligation to refund the money to Mrs P under the Contingent Reimbursement Model (CRM) Code either, as the Code does not apply to debit card payments.

I appreciate this will likely come as a disappointment to Mrs P, and I'm sorry to hear she has been the victim of a cruel scam. However, I'm not persuaded that Revolut can fairly or reasonably be held liable for her losses 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 P to accept or reject my decision before 6 May 2024.

Charlie Newton
Ombudsman