

The complaint

Mr N, who is represented by a claims management company, complains Revolut Ltd didn't do enough to protect him when he was the victim of a fraud.

What happened

Mr N opened a Revolut account in June 2019, around the time he came to the UK. He has accounts elsewhere too.

In April 2022 Mr N says he started chatting to a person he met on a dating app. He says they explained that they'd made money investing in cryptocurrency shortly after they started chatting. Mr N says he asked for more details and, as a result, set up an account on what he'd been told was a trading platform with a view to trading cryptocurrency. Mr N says the trading platform appeared to be professional so he decided to go ahead believing he could make a lot of money. Mr N was, in fact, talking to a scammer.

Between 21 and 27 April 2022 Mr N made nineteen payments to six different beneficiaries totalling £18,375.48 from an account he has elsewhere in relation to this first scam. He says he was told he was sending money to people who sold cryptocurrency and then told to transfer the cryptocurrency he had bought to the trading platform where he'd set up an account. None of these payments between 21 and 27 April were made from Mr N's Revolut account, nor were they funded from his Revolut account. He says he took out a loan to help fund some of these transfers – and later on took borrowed money from friends and elsewhere – and that he was unable to buy cryptocurrency from at least one of the banks who he had an account with as they were very strict with cryptocurrency.

Between 10 and 14 May 2022 Mr N made seven payments from his Revolut account in relation to this first scam.

Mr N says he started to get worried that he might have been scammed when he couldn't withdraw money from the account he'd set up on the trading platform. He says he was told he'd need to pay a large fee in order to do so. He says the person he'd met on the dating app told him that he needed a loan too – which Mr N says he helped with – and that he was also worried he'd been scammed. Shortly after this, when all communication ceased, Mr N realised he'd been scammed.

Mr N says he started talking to another person – a female this time – on social media who said that they'd made a lot of money trading after he realised he'd been scammed. He says he started talking to them because he was down as a result of being scammed. He was, in fact, talking to a second scammer.

Between 18 and 30 May 2022 Mr N made nine payments totalling £12,688 from his Revolut account in relation to this second scam.

Mr N contacted Revolut, amongst others, to say that it hadn't done enough to protect him once he'd realised he'd been scammed. He then complained to us about Revolut's response and the response of one of the other businesses with whom he has an account.

One of our investigators looked into Mr N's complaint and said that they didn't think that it should be upheld.

Revolut accepted our investigator's recommendations. Mr N didn't. He said that Revolut had missed an opportunity to prevent him making a loss. As Mr N didn't agree, his complaint was referred to an ombudsman for a decision. And was passed to me.

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.

I'm satisfied that what had and hadn't happened wasn't entirely clear when Mr N first reported the fact that he'd been scammed to Revolut. That's because Mr N's report suggested he'd been scammed once when in fact he's been scammed twice. His report, as a result, talked about meeting a man on a dating website and speaking to a woman on social media and being scammed. In fact, he fell victim to two scams – the first scammer was someone he met on a dating website and the second scammer was someone he was speaking to on social media. This complaint involves both scams. I say that because I'm satisfied that Mr N made seven faster payments totalling £7,533 between 10 and 14 May 2022 from his Revolut account in relation to the first scam. And nine card payments totalling £12,688 between 18 and 30 May 2022 from his Revolut account in relation to the second scam.

I'm satisfied that Mr N started talking to the second scammer no later than 19 May 2022. That's because I've seen the social media messages they exchanged. And I've seen the second scammer, for example, told Mr N that she could guarantee him \$40,000 to \$45,000 profit on an investment of \$5,500 and \$1 million within a month with an investment of \$100,000. More importantly, I'm satisfied that Mr N had just discovered that he'd been scammed when he started talking to the second scammer – he wanted to make his losses back – yet all he appeared to do by way of checks was ask the second scammer "are you also a scammer?".

I'm satisfied that the payments Mr N made in relation to the first scam weren't sufficiently unusual for Revolut to have intervened. So, I agree that Revolut doesn't need to refund any of those payments. In other words, the faster payments.

Our investigator has set out in considerable detail the numerous red flags that should have made Mr N realise that neither of the scams they fell for were genuine investments. I'm not going to repeat them here, other than to say that I agree Mr N could and should have done a lot more to satisfy himself that this wasn't a scam. In the circumstances, I agree with our investigator, given that Revolut did also warn Mr N a number of times that the payments he was making in relation to the second scam might be scams, that it wouldn't be fair to expect Revolut to refund the card payments either. I agree too that a chargeback wouldn't have succeeded.

Given everything I've just said, I agree that this complaint shouldn't be upheld. I appreciate that this will be hugely disappointing for Mr N – he's lost a lot of money and has taken on a considerable amount of debt.

My final decision

My final decision is that I'm not upholding this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr N to accept or reject my decision before 10 January 2024.

Nicolas Atkinson
Ombudsman