

The complaint

Mr H, via a representative, complains that Revolut Ltd (“Revolut”) have failed to refund the money he 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, Mr H said a friend introduced him to a scammer that I will call B who purported to be an investment company.

B then persuaded Mr H to send funds to a crypto exchange via faster payments, these funds were then used to purchase crypto and were then sent on to B. Mr H also made payments to B from a different account that he held with a bank that I will call C.

Mr H made the following payments via faster payment.

Transaction Number	Date	Amount	Type of Payment
1	14 June 2023	£10,000	Faster Payment
2	14 June 2023	£250	Faster Payment
3	15 June 2023	£4,750	Faster Payment
4	15 June 2023	£10,000	Faster Payment
5	29 June 2023	£15,000	Faster Payment

When Mr H attempted to withdraw the profit that he could see on B’s ‘platform’ he was unable to do so. At this point Mr H realised that he had been scammed.

Mr H asked Revolut to refund these payments, as he believes Revolut should have done more to prevent him from being scammed in the first place. Revolut did not agree with this.

One of our investigators looked into this matter and he thought that whilst Revolut did give an appropriate scam warning had there been any further intervention this would not have stopped the scam.

Mr H did not agree with this and therefore his 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 Mr H authorised the disputed payments he made from his Revolut account. The payments were requested by him using his legitimate security credentials provided by Revolut, and the starting position is that Revolut 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 H 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.

Revolut did not intervene apart from providing some online warnings but I think it really should have intervened given the size of the transactions, that they were going to a crypto exchange and given the pattern of the transactions. That said though, I need to consider what would have happened had Revolut intervened.

In this instance I do not think an intervention would have stopped Mr H from sending funds to B. I say this because I can see that his other bank C did intervene on two occasions and during his conversation with C he said that he had found the investment via a friend, he had done his own research and had read reviews, he had made withdrawals already and he was convinced that the company was legitimate.

I also note that he confirmed that he had not used remote access software and I can't see any credible online warnings about B from the time of the transactions. So, I think it's likely that had Revolut interviewed Mr H would've provided similar answers to Revolut I think that this would have re-assured it that Mr H was not being scammed. I also consider that at most, I would have expected Revolut to give Mr H a general crypto investment scam warning. I don't think though that this would have stopped the scam given how confident Mr H was that what he was doing was legitimate.

Finally, even had Revolut stopped Mr H from sending funds directly to the crypto exchange, and I don't think it needed to, I think that he would have found other ways to send the funds to B. This is demonstrated by him sending funds to the crypto exchange via Revolut after he had difficulties sending further funds from C directly to the crypto exchange.

So overall, I don't think that Revolut intervened appropriately, but had it intervened further I don't think the scam would have been stopped.

I've also thought about whether Revolut could have done more to recover the funds after Mr H reported the fraud.

Revolut are also under no obligation to refund the money to Mr H under the Contingent Reimbursement Model (CRM) Code. This is because Revolut are not part of the Code and in any event, it does not apply to transfers which the payer has effectively made to themselves.

I appreciate this will likely come as a disappointment to Mr H, and I'm sorry to hear he has been the victim of a cruel scam. However, I'm not persuaded that 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 H to accept or reject my decision before 22 July 2024.

Charlie Newton
Ombudsman