

The complaint

Mr M complains that Revolut Ltd (“Revolut”) has failed to refund around £100,000 he lost as part of an investment scam.

What happened

The details of this complaint are well known to both parties, so I won’t repeat everything again here. Instead, I will provide a brief summary and focus on giving the reasons for my decision.

Mr M fell victim to an investment scam in August 2022 after seeing a cryptocurrency advert on Facebook by “Pro Investments” supposedly endorsed by a celebrity. He made payments collectively totalling over £100,000 to crypto platforms opened by the scammer.

As part of the scam, he also took out a loan for £19,000 to pay “fees and taxes” in order to withdraw his profits but realised he had been scammed when these were not forthcoming. Revolut refused to refund the money Mr M lost as it said he had authorised the payments.

Our investigator upheld the complaint. She was satisfied that Revolut should have noticed unusual activity on Mr M’s account and made further enquiries before processing the £10,000 payment he made on 9 August 2022. She thought that Revolut could have prevented any further loss if it had provided a written scam warning at that point, so she asked the business to refund the payments from that point onwards. Revolut disagreed, so the matter was escalated to me to determine.

I issued my provisional decision in January 2024. I said that, due to further evidence that had come to light, I was minded to reach a different outcome to the investigator as I did not intend upholding Mr M’s complaint. I set out the following reasons:

It isn’t in dispute that Mr M has been the victim of a scam here. And having seen the various reviews and warnings about Pro Investments online, I’m also satisfied it was likely operating as a scam. It also isn’t in dispute that Mr M authorised the disputed payments he made to the crypto exchange platforms via his Revolut account and debit card (where his funds were subsequently transferred on to the scammer). The payments were requested by him using his legitimate security credentials provided by Revolut, and the starting position is that banks 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 M from falling victim to the scam, as there are some situations in which a firm should reasonably have had a closer look at the circumstances surrounding a particular transfer and provided a scam warning. For example, if it was particularly out of character.

In terms of the first three payments Mr M made between 1 and 4 August 2022, I don’t think these were particularly unusual or ought to have been automatically blocked by Revolut pending further enquiry. However, Mr M’s spending then increased

significantly on 9 August 2022 when he made a payment of £10,000 to his crypto platform. I'm satisfied this ought reasonably to have been identified as a scam risk by Revolut, such that it should have made further enquiries and provided a written warning that broadly covers scam risks.

Revolut did not request the reason behind the £10,000 payment as part of the payment journey, but I can see it did ask Mr M for the purpose of the following £5,000 payment he made on 19 August 2022. Revolut has provided evidence to show that Mr M selected "Transfer to a Safe Account" as the reason for the payment, which then led to him being presented with a warning about safe account scams. Mr M says the scammer told him to select this option rather than choosing 'Investment'. So, if Revolut had asked Mr M for the purpose of the £10,000 payment he made on 9 August 2022, I think it's more likely than not that he would have also selected "Transfer to a safe account" as the reason for this payment as well.

Given the risks associated with customers transferring money to a safe account, Revolut should not have let the payment proceed until it had made further enquires with Mr M about the true nature of the payment and to see if he was genuinely being asked to transfer money to a safe account. However, even if Revolut had made further enquiries, I'm not persuaded this would have ultimately prevented Mr M's loss to the scam. I'll explain why.

Mr M had not used his Revolut account before the scam and was making payments into it from an account held with another bank ("N"). In light of the frequency and value of the payments being made into Mr M's Revolut account, our service asked N whether it spoke to Mr M at any point about the payments he was making. N responded and provided our service with call recordings of conversations it had with Mr M about the payments. And having listened to these calls, it leads me to believe that Mr M would not have been honest or forthcoming with the true nature of the payments he was making if he had been questioned further by Revolut.

When Mr M spoke to N on 1 August 2022, its agent could see that he had downloaded Anydesk onto his computer, which hadn't been there before, so they asked why he had downloaded it, but Mr M was evasive in his answers. Having listened to the call recording, I note there were a lot of long pauses between the agent asking Mr M about Anydesk and him responding. At one point it even appears that Mr M is having a discussion in the background with someone else.

All of this seems consistent with someone who is on the phone and being coached by a scammer. This was also picked up on by the agent, who asked Mr M if anyone was with him, to which he said they weren't. However, based on the way Mr M was answering, it seems most likely that he was in contact with the scammer and was being told what to say, which would explain many of the long pauses and inaudible discussions that take place between the answers he gave to the agent.

Mr M was asked on more than five occasions why he downloaded Anydesk, as well as who asked him to download it, but he did not provide an honest answer – i.e. that it was the third-party broker who had instructed him to download it to help him make payments. On another call that took place the following day, Mr M was asked a further time if anyone had asked him to download Anydesk, to which he continued to maintain that they hadn't.

The agent from N also asked Mr M whether anyone else was asking him to make the payment. He said that it was completely his decision to make the payment and that no one had asked him to do it, despite it being the scam broker who was instructing

him to make the payments to Revolut before transferring it to his crypto wallets. Mr M was asked again why he was making the payment to Revolut on 2 August 2022, to which he said it was “the best way to carry money in terms of international payments”.

As a result, given Mr M wasn't honest when he was questioned by N, I'm not persuaded he would've been honest if he had been questioned by Revolut with regards to the nature of the payments he was making. Indeed, he has said himself that the scammer had told him to choose the “safe account” option when asked for the reason behind the payment, so it seems likely he would've continued to provide misleading answers if he'd been questioned further.

I note that during the call of 1 August 2022, N also warned Mr M that it sounded like he was being scammed as he had recently downloaded Anydesk and was now trying to make payments. But despite this, it appears he didn't then conduct any further research into the broker and proceeded to make the payments anyway. So, it seems unlikely he would've acted any differently if Revolut had provided him with its own written scam warning.

I therefore don't consider it would be fair and reasonable to hold Revolut liable for Mr M's loss, because it seems more likely than not that he would have always made the payments to the scammer, notwithstanding any intervention made by the bank.

I also don't think there was anything more Revolut could've done to recover the money Mr M lost. In terms of the debit card payments. A chargeback claim would've had little prospect of succeeding given Mr M would've received the asset he had purchased (i.e. the cryptocurrency). Similarly, for the faster payments, there would've been little prospect of recovering the money from the receiving accounts either, given these accounts were in Mr M's name and the cryptocurrency had already been transferred on to the scammer by the time the fraud had been reported.

I appreciate this will likely come as a disappointment to Mr M, 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.

I invited further comments and evidence from both parties. However, neither responded with anything further to add.

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.

Given that neither party had anything further to add, I see no reason to depart from the conclusions set out above in my provisional decision.

It follows that I do not uphold this complaint.

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 M to accept or reject my decision before 22 March 2024.

Jack Ferris
Ombudsman