

### The complaint

Miss M 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, Miss M saw an advert for a crypto trading company that I will call B. Miss M signed up online and received a call from B. B then persuaded Miss M to send funds to a crypto exchange via debit card. These funds were then used to purchase crypto and were then sent on to B. After a while Miss M’s trading balance on B declined and she refused to deposit further funds.

Miss M was then contacted by a company that I will call D that persuaded her to invest more funds in order to recover the amounts that she lost “trading” with B. Again the funds were sent to a crypto exchange before being forwarded on to D, this time though the funds were sent via transfer.

The payments that Miss M made in relation to the scam were as follows;

Transaction Number	Date	Type of Payment	Amount
1	17 March 2022	Card Payment	£2,500
2	18 March 2022	Card Payment	£2,500
3	21 March 2022	Card Payment	£350
4	22 March 2022	Credit	£376.2
5	22 March 2022	Card Payment	£380
6	23 March 2022	Card Payment	£7,500
7	24 March 2022	Card Payment	£2,500
8	31 March 2022	Card Payment	£5,000
9	11 April 2022	Card Payment	£10,000
10	12 April 2022	Card Payment	£10,000
11	18 April 2022	Card Payment	£100

12	19 April 2022	Card Payment	£12,000
13	19 April 2022	Card Payment	£6,000
14	1 July 2022	Transfer	£9,800
15	4 July 2022	Transfer	£10,000
16	17 August 2022	Transfer	£5,000

These funds were sent to her Revolut account from a different current account provider that I will call E.

When Miss M was not able to withdraw from D and her “balance” showed as zero. Miss M realised that she had been scammed.

Miss M 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 Revolut should have intervened during payment 9. But due to the answers that Miss M provided during phone calls with E, when it blocked two payments from E to Revolut, that Revolut could not have prevented the scam had it intervened.

Miss M 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 Miss M 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 Miss M 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 Miss M's Revolut account was relatively new. So Revolut did not have enough information to say what Miss M's usual activity looked like. That said, I agree with the investigator that Revolut should have queried the transactions in question especially at transaction 9 given its size. But had it done so I don't think that any interventions or warnings would have uncovered or prevented the scam.

I say this because of the answers that Miss M gave when E intervened and questioned her about the payments that she was making on 23 March 2022 and 19 April 2022. Miss M confirmed that she was transferring funds to Revolut for the first payment for her partners knee surgery and for the second payment for home improvements. She explained in both calls that she had installed Remote Access Software to help family members with computer issues. Given that the payments were for an “investment” with B and the remote access was for the scammer the answers suggest that Miss M was willing to actively mislead E in order to make the payments in question.

So had Revolut intervened at transaction 9 and asked questions I think it likely, albeit on balance, that Miss M would’ve answered the questions in a way, which would not have made Revolut aware that she was being scammed. So I don’t think that an intervention from Revolut would have uncovered the scam.

If Revolut had intervened and provided a general crypto warning, despite Miss M likely misleading it as to the purpose of her transactions, I don’t think it would have altered her decision to go ahead with the transactions. I say this because she was not put off from continuing to send funds to B after a general warning was provided on 1 July 2022 when the first transfer was made.

I’ve also thought about whether Revolut could have done more to recover the funds after Miss M reported the fraud. But in this instance, in relation to the debit card payments, a chargeback claim would not have been successful, as she received the crypto she had paid for. It was only when Miss M transferred the crypto on to the scammers did the loss occur.

Revolut are also under no obligation to refund the money to Miss M under the Contingent Reimbursement Model (CRM) Code either, as the Code does not apply to debit card payments. In relation to the transfers, they were made to accounts held in Miss M’s name and the CRM does not apply to transfers someone has made to themselves.

I appreciate this will likely come as a disappointment to Miss M, 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 Miss M to accept or reject my decision before 10 May 2024.

Charlie Newton  
**Ombudsman**