

The complaint

Mr M complains that Revolut Ltd didn't do enough to protect him when he was scammed into buying cryptocurrency to invest and recover returns from another scam investment.

What happened

The details of this complaint are well known to both parties, so I will not repeat them again here. The facts are not in dispute so I will focus on giving the reasons for my 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.

In broad terms, the starting position at law is that an Electronic Money Institution ("EMI") such as Revolut is expected to process payments and withdrawals that a customer authorises it to make, in accordance with the Payment Services Regulations (in this case the 2017 regulations) and the terms and conditions of the customer's account.

Mr M has suggested that he wasn't the one making the payments, and this was all done by the scammer. However, he accepts that it was him responding in the Revolut chat and that he completed steps for some of the payments. So I'm satisfied he understood and agreed to the disputed payments being made from his account.

Taking into account relevant law, regulators rules and guidance, relevant codes of practice and what I consider to have been good industry practice at the time, I consider it fair and reasonable in July 2023 that Revolut should:

- have been monitoring accounts and any payments made or received to counter various risks, including preventing fraud and scams;
- have had systems in place to look out for unusual transactions or other signs that might indicate that its customers were at risk of fraud (among other things). This is particularly so given the increase in sophisticated fraud and scams in recent years, which firms are generally more familiar with than the average customer;
- in some circumstances, irrespective of the payment channel used, have taken additional steps, or made additional checks, or provided additional warnings, before processing a payment – (as in practice Revolut sometimes does including in relation to card payments);
- have been mindful of – among other things – common scam scenarios, how the fraudulent practices are evolving (including for example the common use of multi-stage fraud by scammers, including the use of payments to cryptocurrency accounts as a step to defraud consumers) and the different risks these can present to consumers, when deciding whether to intervene.

Revolut recognised that Mr M was at heightened risk of financial harm from fraud when making some of the payments. It intervened 12 times in various ways on the payments Mr M made towards this scam. I do think it ought to have also intervened on the third payment Mr M made on 6 July 2023, as this increased the account spending that day to over £10,000. And again on the final payment Mr M made, as this was in August 2023, so after new rules came into force around firms acting to avoid causing foreseeable harm to customers. But I don't think any proportionate intervention by Revolut would have prevented Mr M's loss. I'll explain why.

On more than one occasion Revolut told Mr M it was concerned he was a scam victim and asked him questions about what he was doing. It also gave him some general investment and cryptocurrency scam information. Mr M repeatedly misled Revolut about what was going on and was sharing its questions with the scammer. While he's told us he allowed the scammer access to his accounts, he assured Revolut he was making the transactions himself. He also said he hadn't downloaded AnyDesk and wasn't told to move money to Revolut for investment purposes – when the scammer had instructed him to do both of these things.

Mr M's representative has argued that Revolut ought to have been aware that scammers tell consumers to lie to them and taken more steps. But I can't agree that is reasonable in this case. Revolut did provide Mr M with relatable information, and he chose to ignore this. And considering the number of lies Mr M told and reassurances he gave, he prevented Revolut being able to uncover what was actually going on. It is entitled to respond to what the consumer tells it and there's only so much it can do when someone is clearly acting to evade a firm finding out what is really happening. I also note that on one of Mr M's calls with his bank relating to this same scam, they highlighted to him that customers may be told to lie by scammers, but this didn't prevent him going ahead.

Considering the number of relevant questions Revolut asked Mr M and the relatable scam warnings given, I consider it did proportionately intervene on the majority of the payments. I can't see that Mr M would've responded differently on 6 July 2023 to how he responded on any other dates. And while it ought to have questioned Mr M to provide a better, automated warning on the last payment he made – he'd already received this kind of information more than once. I'm not persuaded that he would've responded to any scam warning presented at this time, when he was so invested and had already chosen to disregard this kind of information multiple times before.

While Mr M has undoubtedly been the victim of a cruel scam, I can only uphold his complaint if I'm satisfied Revolut's failings made a material difference to what happened. For the reasons given, I'm not persuaded that they did.

My final decision

For the reasons set out above, I don't uphold Mr M's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 25 October 2024.

Amy Osborne
Ombudsman