

The complaint

Mr O complains Revolut Ltd didn't do enough to protect him when he fell victim to a cryptocurrency investment scam.

What happened

Mr O has an account with Revolut which he says he opened in the course of this scam at the suggestion of the scammer. He has accounts with other businesses including a bank who I'll refer to as "N" throughout the rest of this decision.

Mr O says he received a cold call from a company asking him if he'd be interested in an investment opportunity. This was in April 2023. He said he was and that he was sent information about the investment in question – which was in cryptocurrency. He says he checked the website he'd been sent and that the investment appeared to be genuine, so he set up an account on the company's trading platform with the person he'd been speaking to. They asked him to download remote access software to help with this saying that it would also enable them to assist in the investment process.

Mr O says that he sent twelve card payments from his account with Revolut to a cryptocurrency wallet in his name between 26 April 2023 and 30 May 2023 which he then transferred to the investment platform. He says he sold a previous investment he'd made and borrowed money in order to fund these payments involving, amongst other things, transferring money from his accounts elsewhere to his account with Revolut. He says he asked to make a withdrawal in June 2023 having seen his investment grow and was told he'd have to pay several fees before he could do so. He says he realised he'd been scammed shortly after this. He complained to Revolut in July 2023 with the help of a representative saying it should refund him.

Revolut looked into Mr O's complaint and asked him to file a chargeback and to report the scam as he'd not done so already. In the meantime, given that a chargeback request hadn't been submitted and a full investigation hadn't been done, Revolut said it wasn't upholding his complaint. Mr O was unhappy with Revolut's response and complained to our service.

One of our investigators looked into Mr O's complaint and said that Revolut ought to have been concerned when Mr O attempted his first payment as it was a payment of £3,000 that was identifiably going to cryptocurrency. Our investigator said that Revolut ought to have given Mr O a written tailored warning about cryptocurrency investment scams and, had it done so, they were satisfied Mr O wouldn't have gone ahead. But they also thought Mr O should share some responsibility. So, they ultimately recommended that Revolut refund 50% of the payments Mr O had made together with 8% per annum simple interest on the payments he'd funded with his own money. Mr O accepted. Revolut didn't. Revolut said, amongst other things, that the payments Mr O had made were to an account in his own name, other businesses had been involved and had intervened and that Mr O had been grossly negligent too. Revolut asked for Mr O's complaint to be referred to an ombudsman for a decision. His complaint was, as a result, 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.

In this case I'm satisfied that Mr O made twelve card payments to a well-known cryptocurrency merchant between 26 April 2023 and 30 May 2023. The first five payments he made were all made within half an hour of each other – meaning Mr O sent £15,000 to cryptocurrency that day. I agree with our investigator that the first payment should have been a cause of concern for Revolut given that it was for £3,000 and identifiably going to cryptocurrency given what it fairly and reasonably should have known about multi-stage fraud at that time. I also agree that Revolut should have given Mr O a tailored written warning covering the key features of cryptocurrency investment scams. I accept, based on Mr O's evidence, that a warning from Revolut would have resonated with him in particular. Indeed, I'm satisfied that it was a warning that Revolut gave Mr O on 16 June 2023 that finally made him stop making payments. In coming to this conclusion, I've listened to a call that Mr O had with N on 26 April 2023 – when he was trying to transfer the proceeds of an investment he'd sold to his account with Revolut. In that call, Mr O told N that he was transferring the money to his account with Revolut as he wanted to send the money abroad. That wasn't true but was something the scammer told Mr O to say – saying that the banks generally don't like cryptocurrency. That wasn't an explanation that would have worked with Revolut, but it was one that satisfied N.

Revolut has said that Mr O was grossly negligent in this case and has given examples. For instance, the returns were too good to be true and there were already negative reviews about the company in question posted just before Mr O started making payments. I agree that Mr O could and should have done more. But his representatives have already accepted a 50% deduction for contributory negligence which I think is fair.

Putting things right

Based on everything I've just said, I agree with our investigator that Revolut should refund 50% of the payments Mr O had made together with 8% per annum simple interest on the payments he'd funded with his own money as it could have done more to prevent Mr O's losses. So, that's the award I'm going to make.

My final decision

My final decision is that I'm upholding this complaint and require Revolut Ltd to refund 50% of the card payments Mr O made – in other words, to refund £14,500 – together with 8% simple per annum interest on the payments made on 26 April 2023, 27 April 2023 and 30 May 2023 from the date of payment until the date of settlement.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr O to accept or reject my decision before 20 December 2024.

Nicolas Atkinson
Ombudsman