

## The complaint

Mrs H complains Revolut Ltd won't refund payments she made 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.

In summary, Mrs H fell victim to an investment scam. As part of the scam, Mrs H initially invested £250 that was funded via another banking provider and as she was able to withdraw profits of £74.13, this convinced her the investment opportunity was genuine, so she decided to invest more money.

Mrs H was persuaded to open an account with Revolut, move money from an account she held with another financial business to Revolut, and then onto a genuine cryptocurrency provider. I understand her money was then converted into cryptocurrency and sent to the fraudster.

In total, Mrs H made the following five debit card payments to the cryptocurrency provider during December 2021, as shown below:

Transaction date	Type of transaction	Amount
10 December 2021	Debit card	£5,000
10 December 2021	Debit card	£5,000
10 December 2021	Debit card	£1,000
16 December 2021	Debit card	£5,000
19 December 2021	Debit card	£5,000
<b>Total:</b>		<b>£21,000</b>

In August 2023, Mrs H complained to Revolut through a representative. Revolut raised a chargeback, however they said as the transactions were authorised and authenticated by Mrs H using her security credentials, it wasn't a valid chargeback under the card scheme rules and it was required to reject it. As a result, Revolut said they were not liable for the loss Mrs H suffered. Mrs H remained unhappy, so she bought her complaint to our service.

Our Investigator looked into things but didn't think that the complaint should be upheld. She thought Revolut should have identified some of the payments as unusual and contacted Mrs H before processing them. But even if Revolut had questioned Mrs H about the payment(s), she didn't think this would have made a difference as Mrs H was being guided by the scammer. This included what payment amount to send to avoid detection and being told by the scammer to contact them if she had any problems with her banks regarding payments being stopped, as they would guide her in what to say. As a result, our Investigator did not think that Revolut could have uncovered or prevented the scam. Mrs H did not agree.

As no agreement could be reached, the case was passed to me for a final 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 have decided not to uphold Mrs H's complaint for broadly the same reasons as our Investigator. I know this will be disappointing for Mrs H, so I'll explain in more detail why.

It isn't in dispute that Mrs H has fallen victim to a scam here, nor that she authorised the payments she made to the scammer. So, the starting point is that Revolut ought to follow the instructions given by their customers, as instructed, and the customer is presumed liable for the loss in the first instance.

However, I've considered whether Revolut should have done more to prevent Mrs H from falling victim to the scam. As there are some situations in which a bank should reasonably have had a closer look at the circumstances surrounding a particular transaction to protect their customer from financial harm. For example, if it was considered to be out of character for that account holder.

Where a firm like Revolut does have grounds to be concerned about a payment, I think it should reasonably take steps to warn its customers about the risk of proceeding. Whether a warning should be provided (and, if it should, the nature and extent of that warning) should be proportionate to the risk the payment presents and strike a balance between trying to protect customers and not unduly inconveniencing them. I must also take into account that applying significant friction to all payments would be very onerous and would likely be impractical for Revolut.

I've thought about what Revolut knew when Mrs H made the first payment. That information was fairly limited. It knew her personal details, and that she stated the reason for opening the account as 'invest in Gold and Silver,' and that her account was new and that she was paying a well-known cryptocurrency provider.

Revolut did not have a previous customer relationship with Mrs H. It did not know her typical spending patterns. But that doesn't mean it wasn't in a position to recognise suspicious activity – only that the information it had on which to make that assessment was more limited.

Mrs H argued that the activity carried out was, in and of itself, typical of fraud: the opening of a new account, the deposit of funds and the movement of those funds to a cryptocurrency provider. But I don't find it surprising that a customer would open a Revolut account and use it immediately for a specific purpose. And, as customers of Revolut have the ability to purchase and trade cryptocurrency through its application, it's likely that many customers will open Revolut accounts for that purpose. So, in isolation, although, I don't think that the pattern of activity is enough to cause concern, I do agree its information Revolut should bear in mind. And when considering whether a payment should trigger an intervention, at the time these payments were made, I think it was fair for Revolut to take into account a range of factors, not just that the payments were going to a cryptocurrency provider.

Having looked at Mrs H's transactions, I think that Revolut should have intervened when she made the second £5,000 payment as this happened within the space of less than one minute. And payments to cryptocurrency providers made in rapid succession is a potential indicator of fraud. Considering the payment was identifiable as going to a well-known cryptocurrency provider, which carries a known fraud risk, I think Mrs H should have been directed to Revolut's in-app chat to discuss the purpose of the payment – whereby it

should've asked probing questions to ascertain whether Mrs H was at risk of being scammed.

I understand Revolut didn't do this. So, I've thought about whether such steps could have protected Mrs H from the investment scam, and while I know Mrs H disagrees, I don't think it would have, as I think it's likely Mrs H would have explained she was making the payment for 'investing' purposes.

I've also listened to two calls that took place with Mrs H and her other bank on 9 and 13 December 2021 after her account was blocked when she attempted to move money as part of this scam. The other bank asked her why she was making the payment, and Mrs H mentioned she sold some shares in the morning, so was just looking at other investment opportunities and was looking to move some money from her savings account into her own Revolut account. The other bank then gave Mrs H a series of scam warnings. Mrs H reassured the other bank that no-one has told her they're from the bank and directed her to move her money. Mrs H also said her funds were safe as she was the only one who had access to her crypto wallet and security details, and she can withdraw the money from her wallet to her bank account and that she wanted to continue with the payment.

Mrs H also mentioned to her other bank that she had sat down with her partner before they started investing and they had both agreed they would only be investing money they could afford to lose if the trading didn't go according to plan and if it wasn't as profitable as they would have expected. Mrs H also mentioned she had set limits of trading at any one time, and when she reaches her limit, she would stop.

So, based on the evidence, I've seen, even if Revolut had asked probing questions before allowing the payment to go through here, considering the information provided to the other bank, I don't think Revolut would have had significant concerns from the answers Mrs H would've likely provided.

I'm also mindful that, if questioned, Ms H could've sought support from the scammer – as she was directed to – so they could guide her in what to say. And being questioned by Revolut's in-app chat function, opposed to a telephone call, would've made seeking such support from the scammer easier. So, I don't think Revolut would've likely uncovered Mrs H was being scammed. And I don't think any crypto tailored warning that I would reasonably have expected Revolut to show would have stopped Mrs H from making the payments. I think it's likely she would've believed the investment opportunity was legitimate and proceeded to make them.

I'd expect Revolut to take reasonable steps to try to recover any money their customers have lost as a result of a scam. Here, as the payments were made by debit card, the only option of recovery here was via chargeback. But a chargeback would've likely failed as the service Mrs H received from the cryptocurrency exchange was provided – that being the crypto provided that was then sent to the scammer. So, I don't think anything Revolut could've done anything to recover Mrs H's money.

I appreciate that Mrs H has been the victim of a cruel and sophisticated scam and that my decision will come as a disappointment to her. She has lost a significant amount of money and I sympathise with the position she has found herself in. But I can only look at Revolut's responsibilities and, for the reasons I've set out above, I don't think Revolut ought to have prevented the loss Mrs H has suffered. And so, I don't think it would be fair to require Revolut to refund the money Mrs H has lost.

**My final decision**

For the reasons I've explained, I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs H to accept or reject my decision before 22 May 2025.

Israr Ahmed  
**Ombudsman**