

The complaint

Miss A complains Revolut Ltd didn't do enough to protect her when she fell victim to an investment scam.

In bringing this complaint Miss A is supported by a professional representative I'll refer to as "C".

What happened

Miss A said she was tricked into sending money to what turned out to be an investment scam. She said she was introduced to an investment opportunity by a friend who had successfully invested. She said she carried out some research and satisfied herself it was a legitimate opportunity. She was invited to join a group chat where other investors were discussing the investment. Miss A was then put in touch with someone who purported to be an investment trader, but who turned out to be a scammer.

Miss A said the scammer encouraged her to set up an account on a trading platform. She was also advised to purchase crypto from several different legitimate crypto exchanges, which she then sent to the trading platform. Miss A said having loaded the crypto onto the trading platform she could see her balance increase and her trades.

Miss A explained the investment scheme offered certain bonuses and incentives that would provide increased profits, which led to her making additional deposits. She was also told the investment scheme was based on referrals, and that by recruiting others to the investment Miss A could increase how much she could withdraw. As a result, Miss A encouraged friends and family members to join the investment and made some payments on their behalf. She also borrowed money to invest for her own benefit.

In total, Miss A transferred over £18,000 to the scam having made the following debit card payments to several different crypto exchanges:

Transaction number	Date	Amount
1	5 October 2023	£2,000
	5 October 2023	£2,000 - declined
2	5 October 2023	£2,000
3	5 October 2023	£200
	6 October 2023	£1,000 - declined
4	6 October 2023	£1,000
5	11 October 2023	£200
	25 October 2023	£500 - declined
6	25 October 2023	£500
7	26 October 2023	£90
8	26 October 2023	£100

9	26 October 2023	£90
10	2 November 2023	£218
11	3 November 2023	£49.84
12	6 November 2023	£3,000
13	6 November 2023	£590
14	6 November 2023	£1,482
15	7 November 2023	£2,500
	8 November 2023	£2,000 - reverted
	9 November 2023	£50 - reverted
16	9 November 2023	£50
	15 November 2023	£100 - reverted
	20 November 2023	£5,252.33 - declined
17	20 November 2023	£4,608.49

Miss A said she realised it was a scam when her attempts to withdraw her profits were unsuccessful. She asked Revolut for help via its app on 28 November 2023. It cancelled her debit card but said the only possibility of recovering the lost funds was to raise chargeback requests. It noted it was unlikely a chargeback would be successful as Miss A had authorised the transactions herself. It later confirmed that no funds could be recovered.

C complained to Revolut on Miss A's behalf, saying that it hadn't done enough to protect her from the risks of financial harm from fraud. It said Revolut failed to spot the warning signs that Miss A was falling victim to a scam. It argued that if Revolut had intervened in the payments the scam would have been exposed and Miss A's losses prevented. Revolut issued a final response, explaining Miss A was not eligible to a chargeback in the circumstances.

C disagreed and referred Miss A's complaint to the Financial Ombudsman. Our Investigator didn't uphold the complaint. While she considered that Revolut ought to have intervened before it did, she noted that when it did, Miss A provided an inaccurate payment purpose which prevented Revolut from providing a more accurate warning. She noted that Miss A had told us that she had been told not to select cryptocurrency as her payment purpose, as the person advising her had told her this would result in her payment being blocked. Our Investigator was satisfied that proportionate intervention from Revolut therefore wouldn't have prevented Miss A's loss.

C disagreed and asked for an Ombudsman's final decision. It said that Miss A had not been provided with a detailed cover story and so had Revolut probed her on why she was making the payments, the scam would have been uncovered.

The complaint was passed to me to decide. I issued a provisional decision on 27 February 2025, setting out why I wasn't minded to uphold Miss A's complaint. For completeness, I repeat my provisional findings below:

"I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

I want to make it clear from the outset that there is no doubt that Miss A has been victim of a sophisticated scam. I do not underestimate the impact this has had on her. While there are certain obligations on banks and EMIs to protect consumers and prevent losses to scams in certain circumstances, these are not absolute. And so, there are unfortunately occasions where a consumer will lose out but have no recourse to a refund.

So, while I accept Miss A has lost a significant amount of money due to the deception of scammers, I must consider whether Revolut is responsible for the loss she's suffered. I know this won't be the outcome Miss A is hoping for, but I don't think they are. So, I don't think Revolut has acted unfairly by not refunding the payments. I'll explain why.

Should Revolut have recognised Miss A was at risk of financial harm from fraud?

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

But, 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 October 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;*
- have acted to avoid causing foreseeable harm to customers, for example by maintaining adequate systems to detect and prevent scams and by ensuring all aspects of its products, including the contractual terms, enabled it to do so;*
- 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 crypto accounts as a step to defraud consumers) and the different risks these can present to consumers, when deciding whether to intervene.*

While I think Revolut ought to have recognised that Miss A was at heightened risk of financial harm from fraud when making some of the payments to this scam – specifically payments 2, 12 and 17 - I don't think any proportionate intervention by it would have prevented her loss. I'll explain why.

I would not have expected Revolut to be particularly concerned when Miss A instructed her first payment of £2,000. While it was for a higher value than her day-to-day spending, in isolation, it was not so large that I think Revolut should have been immediately concerned that she was at risk of financial harm from fraud. But I think Revolut ought to have been concerned when Miss A instructed a second £2,000 payment within minutes of the first payment - considering the combined value of Miss A's payments that day and the destination (a known crypto exchange). Although given the varied nature of crypto scams that were prevalent at the time, I don't think the actual scam risk would have apparent to Revolut without further information from Miss A.

I think a proportionate response to that risk would have been for Revolut to have asked a series of automated questions, so it could narrow down the actual scam risk that was present, and then provided Miss A with a tailored warning based on the information available and her responses at the time.

That said, accepting that Revolut ought to have provided Miss A with a tailored warning, relevant to crypto investment scams, at payment 2 (and payments 12 and 17), it's also necessary for me to consider whether such an intervention would have likely made a difference – and, on balance, I'm not persuaded it would have.

This is because many of the more common and/or typical aspects of crypto scams affecting many customers at the time were not present here. For example, Miss A was not contacted unexpectedly, and she had not found the opportunity on social media. Miss A has said she was introduced to the opportunity by a friend, who had successfully invested and been able to withdraw her profits without any issue. There was no use of remote access software, as Miss A carried out all the transactions herself. Based on Miss A's testimony it seems that she was not specifically directed to invest by a broker or trader, but rather the investment community highlighted when it was a good time to invest, based on the incentives and bonuses available at that time.

Miss A has also described other factors that persuaded her the opportunity was legitimate. She described being invited into several large group chats where she could see many people discussing the profits they had made, which further reassured her that the opportunity was legitimate. She was also invited to online meetings where she was guided on her investment by the scammer, and was also given access to a convincing looking trading platform where she was able to instantly see her deposits and the profits.

In these circumstances, I'm not persuaded, on balance, that a proportionate intervention from Revolut, setting out the key hallmarks of typical crypto investment scam, would have resonated with Miss A and been enough to stop her from making further payments.

I also note that when Revolut did in fact hold Miss A's second payment for fraud concerns and required her to confirm within her Revolut app that she was making the payment, she was not forthcoming with what she was doing.

Revolut told her it had blocked the payment and notified her in the app "we declined a scam-like payment". It presented her with a list of possible payment reasons including "buying or investing in crypto" and "making non-crypto investments". I note that Miss A selected "something else". I'm mindful that that this didn't then naturally lead to her being presented with scam warnings from Revolut that were particularly relevant to crypto investment scams. I think Revolut should nevertheless have drilled down further to establish the payment risk, given Miss A's actual payment purpose was still unclear from her answer. But I don't overlook that Miss A has also explained she selected "something else" on the advice of the scammer, as she was told her payment could be blocked if she revealed the payment related to crypto. This suggests there was a degree of coaching Miss A was prepared to accept when it came to her interactions with Revolut, and that her focus was on avoiding restrictions on her payments. So, I can't rule out the possibility that even if Revolut had asked Miss A more questions, she would not have provided answers that would have enabled it to provide a more relevant warning or that she wouldn't have in any event ignored the warnings.

In the circumstances, I'm therefore unable to fairly conclude that proportionate intervention from Revolut would most likely have prevented Miss A's losses.

Could Revolut have done more to recover Miss A's losses

As Miss A's losses originated from debit card payments, the only potential route to recovering the money she lost was via a chargeback. However, Miss A paid legitimate crypto exchanges, and it isn't in dispute here that the services were provided, just that the crypto

was later transferred to and lost to the scammer. Due to this I don't consider a chargeback claim would've succeeded, so Revolut wasn't wrong to refuse to pursue it.

In conclusion, I have a great deal of sympathy with Miss A being the victim of what was clearly a cruel scam. But it would only be fair for me to direct Revolut to refund her losses if I thought it was responsible for them – and I'm not persuaded that this was the case. Everything considered, I cannot fairly and reasonably hold Revolut liable in these circumstances. It follows that I will not be asking it to take any further action."

C, on Miss A's behalf, did not accept my provisional decision. In summary it said:

- Although Miss A was coached to misrepresent her payment purpose, the guidance provided to her was minimal as she was only told not to mention the involvement of crypto;
- Given what Revolut knew about the payments, particularly the pattern of large payments made in quick succession and the fact that they were being sent to known crypto exchanges, it ought to have provided a human intervention where it could have asked Miss A more probing questions;
- Human intervention would have uncovered the scam and prevented Miss A's loss.

Revolut did not respond to my provisional decision. But as my provisional decision did not require it to take any action and the deadline for responses has passed, I am satisfied I can fairly reach a final decision without its response.

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, and having given careful consideration to C's response to my provisional decision, I am not upholding this complaint for largely the same reasons as I set out in my provisional decision.

I realise this will come as a significant disappointment to Miss A, as she has lost a considerable sum of money due to the actions of scammers. But I remain of the view that proportionate intervention from Revolut is unlikely to have prevented Miss A's loss. I will explain why.

I see no reason to revisit my conclusions regarding when I think Revolut ought to have intervened in Miss A's payments, or whether it ought to have done more to recover Miss A's losses, as I have received no challenge on these points. The issue that remains in dispute is what proportionate intervention ought to have looked like, and whether it's most likely it would have prevented Miss A's loss.

C considers Revolut ought to have provided Miss A with a human intervention, but I disagree.

As I set out in my provisional decision, while I consider Revolut ought to have been alert to the possibility that Miss A was at risk of financial harm from fraud when she instructed payments 2, 12 and 17, I'm satisfied that a proportionate intervention on each of these occasions would be for Revolut to obtain more information about the payment purpose through a series of automated questions. It should then have provided a tailored warning based on the answers given.

Ultimately Revolut needs to strike a balance between protecting its customers from the risk of financial harm from fraud, without unduly hindering legitimate transactions. As such, the

nature of its intervention will depend on the level of risk identified at the time.

In this case, while Miss A's payments presented a risk – given the value of the payments and what else was known at that time – I think Revolut could reasonably manage that risk via automated questions as described above.

C has suggested that Revolut should have been particularly concerned about the “*unusual nature of the payments*” and should have been alert to the fact that Miss A made payments in quick succession and to multiple crypto exchanges, which should have raised red flags.

I accept that Miss A transferred a significant sum of money (£18,000) to the scam over the course of just under 7 weeks. But I don't agree the payments demonstrated a clear pattern that indicated a scam was taking place. While some of Miss A's payments (specifically payments 2, 12 and 17) were for more significant sums that ought to have given Revolut some cause for concern, other payments were for much lower sums. There was also a fluctuation in the value and speed of payments, which I do not think is necessarily indicative of a scam.

While I recognise that Miss A also sent money to a number of different crypto exchanges, again I do not think this necessarily indicated an increased risk that this was a scam. I'm mindful that, since many high street banks limited their customer's ability to purchase crypto using their bank accounts, there are now fewer financial service providers, including Revolut, that do allow accounts to be used to purchase crypto with fewer restrictions. Indeed, it is one of the services Revolut promotes. So, I need to bear in mind that the vast majority of crypto purchases made using a Revolut account will be legitimate and not related to any kind of fraud.

Having carefully considered the circumstances around Miss A's payments, and specifically what Revolut knew at the time, I remain satisfied that a proportionate response to the risk association with payments 2, 12 and 17, would have been to ask a series of automated questions to narrow down the scam risk and then to provide Miss A with a tailored warning based on the information available and her responses at the time.

Given what it knew, I think Revolut ought to have provided Miss A with a crypto investment warning, which highlighted the key features of common crypto investment scams, for example: highlighting the risks associated with opportunities advertised on social media; promoted by a celebrity or public figure; the existence of an 'account manager', 'broker' or 'trader' acting on their behalf; the use of remote access software and a small initial deposit which quickly increases in value. None of which featured in the scam Miss A fell victim to.

I don't agree Revolut needed to provide Miss A with the tailored guidance C has suggested, nor do I think it needed to seek evidence from her before processing her payments.

While C has suggested a human intervention would have uncovered the scam, it has not commented on my conclusions on why proportionate automated intervention (as described above) would not have uncovered the scam. So, I see no reason to depart from the conclusions set out in my provisional decision.

In summary, given the nature of the scam Miss A fell victim to, I'm not persuaded, on balance, that a proportionate intervention from Revolut would have resonated with Miss A sufficiently to stop her making further payments. As such, I think it's more likely than not that her loss couldn't have been prevented by Revolut. So, I cannot reasonably hold Revolut liable in these circumstances.

My final decision

For the reasons set out above, I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss A to accept or reject my decision before 10 April 2025.

Lisa De Noronha
Ombudsman