

The complaint

Mr A complains that Revolut Ltd didn't do enough to protect him when he fell victim to an investment scam.

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.

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 November 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 cryptocurrency accounts as a step to defraud consumers) and the different risks these can present to consumers, when deciding whether to intervene.

While there is limited evidence of Mr A interacting with the scam firm he has described to us, I accept we hold some evidence from after the event that he had made payments due this scam. So I think Revolut ought to have recognised that Mr A was at heightened risk of financial harm from fraud when making the payment of £8,955. However, I don't think any proportionate intervention by Revolut would have prevented Mr A's loss. I'll explain why.

As above, we hold very limited evidence from the time of the scam. This makes it difficult to determine exactly what Mr A understood of the opportunity at the time and, more importantly, how he would've responded had Revolut proportionately intervened.

When Mr A attempted to send a payment of £8,888.36, Revolut did intervene and stopped the payment. It then asked Mr A a short series of questions including if he was being prompted or guided, to which he said "No". Following this he made the £8,955 payment. We asked Mr A why he said "No", considering the situation he has described to us, but we weren't provided with a clear explanation. His representative criticised the questions asked, and the intervention made – and explained a customer choosing the wrong outcome can't absolve a firm of a liability. And they said Mr A wasn't deliberately dishonest. But we weren't given an actual explanation for why he then chose this incorrect option.

We don't hold conversations between Mr A and the scammer at the time he was making these payments. And he hasn't explained to us why he didn't answer a key question he was asked honestly. Based on the very limited information we do hold, I can't safely say that a proportionate intervention by Revolut would've unravelled this scam.

I recognise Mr A has tried and is unable to retrieve evidence from the time of the scam, but the only evidence we then do hold doesn't support he'd have been honest if questioned further by an automated system. Mr A has even suggested that it would've required a human intervention to unravel the scam. And based on the amount being sent; account purpose and history; and the questions previously asked; I don't consider Revolut needed an agent to speak to Mr A about this payment. So for these reasons, I'm not upholding his complaint.

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 5 June 2025.

Amy Osborne
Ombudsman