

The complaint

Mrs B is complaining that Revolut Ltd didn't do enough to prevent her from making payments to a scam, and didn't refund the payments to her when she reported the scam.

What happened

The circumstances of this scam are well-known to both parties so I won't go into detail here.

In short, in March 2024 Mrs B fell victim to a cryptocurrency investment scam after seeing an advert on social media. As part of the scam, Mrs B opened an account with Revolut. She made the following payments to two separate individuals from her Revolut account.

Payment date	Payment type	Amount
26 March 2024	Transfer	£999
27 March 2024	Transfer	£999

Mrs B realised she'd been scammed shortly after she made the second payment, and she reported it to Revolut in the early hours of 28 March 2024.

Revolut attempted to recover the funds later in the same day as it received the scam report. But the receiving bank didn't reply until around three weeks later to say there were no funds remaining to be recovered.

Mrs B complained to Revolut, and then to the Financial Ombudsman. Our Investigator didn't think her complaint should be upheld, because she thought what Revolut had done to intervene and warn Mrs B about making the payments was enough. Mrs B didn't agree, so her complaint has been passed to me for review and a 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'm not upholding Mrs B's complaint – for much the same reasons as the Investigator. I'll explain why.

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 March 2024 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, have taken additional steps, or made additional checks, or provided additional warnings, before processing a payment; and
- 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.

However, I must also bear in mind that EMI’s such as Revolut have a balance to strike - while it should be alert to fraud and scams and act in its customers’ best interests, it processes high volumes of transactions each day and can’t reasonably be involved in all of them.

Mrs B had opened her account with Revolut under two weeks before the disputed payments, so there wasn’t much account history available for Revolut to decide if they appeared to be out of character. However, it could have been reassured that Mrs B gave the reason for opening her account as “*transfers*” and these payments were in line with that.

Looking at the value, destination and frequency of the disputed payments, I wouldn’t necessarily have expected Revolut to have intervened at all here. While I do understand that they represented a significant sum to Mrs B, the payments simply weren’t of a value where I’d expect Revolut to have been concerned that she was at a heightened risk of financial harm.

However, Revolut has told us that it did intervene on these payments, by asking Mrs B for the purpose of the payments. It’s shown us that it also asked Mrs B some questions about the second payment based on the payment purpose she’d selected.

Mrs B told Revolut that she was making the payment to a friend or family member, that she wasn’t being assisted with the questionnaire, had met the recipient face to face and had paid them before. Following this, Revolut showed Mrs B a scam warning that related to the answers she gave (in this case, a written warning that explained the key features of common scams relating to making payments to friends or family.) The warning didn’t appear to resonate with Mrs B; it wasn’t relevant to the scam she was experiencing. But I don’t think Revolut ought to have done any more to warn Mrs B about making the payment – what Revolut did here was proportionate to the scam risk it had identified, from the answers Mrs B gave to its enquiries about the payment.

As I've said, in the context of the transactions Revolut processes every day these payments were of relatively low value, and there wasn't anything else about the overall account activity or the destination of the payments – or the answers Mrs B gave to its enquiries - that I'd have expected Revolut to have been concerned about, such that it ought to have taken further steps to warn Mrs B before processing the payments.

There are industry standards around attempting recovery of funds where a scam is reported. Generally, businesses should attempt to recover payments immediately on being told of a scam.

Revolut did attempt to recover the payments after Mrs B reported the scam. I think it could potentially have acted more quickly to do so once the initial report was received from Mrs B, rather than suggesting she wait for a refund. But from the information and evidence Revolut has supplied, it looks like the receiving bank didn't reply to its recovery attempt for around three weeks to say there were no funds available. So, even if Revolut had acted sooner, I think it's unlikely the payments could ever have been recovered, given the delay in the receiving bank responding to its recovery request. I would add that although I've not seen much detail of the conversation between Mrs B and the scammer about the circumstances of these payments, I think it's possible that the payments here were made to individuals who were trading legitimately in cryptocurrency, rather than directly to the scammers – although I understand Mrs B may not have been aware of this. But in these circumstances it's difficult to see how recovery could ever have been possible.

I'm sorry to disappoint Mrs B. She's been the victim of a cruel scam and I can appreciate why she'd think she should get her money back. But for the reasons I've explained, I don't think Revolut should have done more to prevent her loss. So, it wouldn't be reasonable for me to ask it to refund the payments she made.

My final decision

My final decision is that I'm not upholding Mrs B's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs B to accept or reject my decision before 9 May 2025.

Helen Sutcliffe
Ombudsman