

The complaint

Mr C complains that Revolut Ltd (Revolut) is refusing to refund him the amount he lost as the result of a scam.

Mr C is being represented by a third party. To keep things simple, I will refer to Mr C throughout my decision.

What happened

The background of this complaint is well known to all parties, so I won't repeat what happened in detail.

In summary, Mr C found an advertisement on social media for a cryptocurrency investment opportunity with a company I will call X. Interested in the opportunity Mr C clicked on the link and provided his information.

Mr C then received a call from X and Mr C paid an initial £250 to start the investment process.

X called again the following day and a trading account was setup on X's platform. X requested a payment of £5,000 so that Mr C could start creating a profit on the account. Mr C sent the payment as requested and was able to withdraw some funds which gave him confidence X was legitimate.

Later in the scam Mr C attempted to make a withdrawal from the investment but X gave several reasons why he would have to make more payments first.

Even when Mr C made the requested payments, he was still unable to withdraw any funds and realised he had fallen victim to a scam.

Mr C made the following payments in relation to the scam from his Revolut account:

Payment	Date	Payee	Payment Method	Amount
1	29 September 2023	Mr C	Transfer	£4,850
2	24 October 2023	Mr C	Transfer	£5,000
3	1 November 2023	Mr C	Transfer	£8,242
4	2 November 2023	Mr C	Transfer	£14,900

Our Investigator considered Mr C's complaint and didn't think it should be upheld. Mr C disagreed, so this complaint has been passed to me to decide.

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.

It has not been disputed that Mr C has fallen victim to a cruel scam. The evidence provided by both Mr C and Revolut sets out what happened. What is in dispute is whether Revolut

should refund the money Mr C lost due to the scam.

Recovering the payments Mr C made

Mr C made payments in relation to the scam from his Revolut account via the method of transfer. When payments are made using this method Revolut has limited options available to it to seek recovery.

I can see that although the disputed payments were reported to Revolut some time after they were made, Revolut did attempt to recover them by contacting the operator of the receiving account. Unfortunately, no funds remained in the payee's account to be recovered.

With the above in mind, I don't think Revolut had any reasonable options available to it to seek recovery of the payments Mr C has disputed.

Should Revolut have reasonably prevented the payments Mr C made?

It has been accepted that Mr C authorised the payments that were made from his account with Revolut, albeit on X's instruction. So, the starting point here is that Mr C is responsible.

However, banks and other Payment Services Providers (PSPs) do have a duty to protect against the risk of financial loss due to fraud and/or to undertake due diligence on large transactions to guard against money laundering.

The question here is whether Revolut should have been aware of the scam and intervened when Mr C made the payments. And if it had intervened, would it have been able to prevent the scam taking place.

When Mr C made payment 1, he was making a payment to a new payee that he had not previously made a payment to. So, Revolut's systems did intervene before the payment was allowed to be made.

Mr C was initially provided with screens asking if he knew and trusted the payee, and he was asked to confirm the transaction details were correct. Mr C agreed to these screens.

Mr C was then presented with another screen that stated, 'Something doesn't look right'. Mr C then had to agree to answer the questions that followed truthfully.

The next screen asked, 'Is anyone prompting or guiding you, if someone is telling you to ignore these warnings, they are a scammer... Only continue if you are sure that you are not being prompted into making a payment.'

Mr C selected 'continue' to move forward with the payment.

Mr C was also required to select from a list of options for the payment purpose. Mr C chose the option of 'transfer to my other account'. Mr C says he chose this option as he thought the funds were going to his trading account. However, there was the option of 'as part of an investment' which I think more accurately reflected the reason he was making the payment, or if in any doubt there was the option of 'something else' that Mr C could have selected.

In addition to this the payments Mr C made from his Revolut account were funded by payments he made into his Revolut account from other accounts he held elsewhere. When making one of those payments Mr C gave a payment purpose of 'goods and services' when the option of 'Investment' was again available.

As the payments Mr C was making from his Revolut account were not identifiably being made in relation to cryptocurrency I don't think it was unreasonable that Revolut didn't give a tailored warning based on the risks associated with that type of payment but instead provided warning screens related to the payment purpose Mr C had selected, especially as the payments appeared to be going to an account in Mr C's own name.

I think Revolut should have intervened again later in the scam when Mr C made the larger payments 3 and 4 but I also think it's clear Mr C was giving different reasons for his payments being made. And even if Revolut had provided a clear warning to Mr C about the payments he was making I am not persuaded that it would have deterred Mr C.

I say this because in addition to the incorrect reasons he provided for his payments it also appears from the evidence provided, that before Mr C even made his first payment his brother-in-law had shown him negative online reviews of X and advised him not to invest.

I don't have enough to say that had Revolut stepped in Mr C would have provided any more honest answers around the reasons he was making the payments, or shared details of the investment he was involved in. Even if an intervention had resulted in Revolut providing a warning to Mr C that he was experiencing a scam, he had already ignored advice, supported by evidence that he had been provided by a trusted family member. So, I don't think a warning from Revolut would have deterred Mr C making payments in relation to the scam in any event.

So, I don't think Revolut missed an opportunity to prevent the scam and it is not responsible for Mr C's loss.

My final decision

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 18 April 2025.

Terry Woodham
Ombudsman