

The complaint

Ms M complains that Revolut Ltd won't reimburse money she lost to a scam.

Ms M has brought her complaint to us through a professional representative. For ease I'll refer to all the submissions as being from Ms M.

What happened

In December 2023 Ms M found on social media what she thought was a genuine cryptocurrency investment opportunity, endorsed by a well known celebrity. She filled in a form and a 'broker' I'll call N contacted her. N said he was an adviser with the investment company and said she could make high returns, with the example that £10,000 invested could reach £100,000 in three months' time.

N guided Ms M to download remote access software to her device and open an account with Revolut. He told her she'd need to send money to peer to peer associates who would buy cryptocurrency, which would be credited to a crypto wallet in her name.

Using money she'd borrowed from a high street bank and family, Ms M made five payments to four peer to peer payees totalling £17,000 as follows:

	Date	Amount	Payment Type	Beneficiary
1	14.12.2023	£3,000	Transfer	Payee 1
2	15.12.2023	£2,000	Transfer	Payee 2
3	21.12.2023	£3,000	Transfer	Payee 2
4	22.12.2023	£4,000	Transfer	Payee 3
5	19.01.2024	£5,000	Transfer	Payee 4

For each transaction Revolut asked Ms M to confirm the payment purpose. She said she was buying goods and services rather than the correct information that she was making an investment. When she made the fourth payment, Revolut contacted her through its online chat and asked her a series of questions about the payment purpose. Guided by N, Ms M accepts she gave incorrect answers to say she was buying goods or services from someone she knew or met.

Ms M had seen the value of her investments increase, using the website and login details given to her by N. But before she could access her money Ms M was asked to make a final

payment of £5,000. She did so but was then asked to pay a further fee. At this time, she realised she'd fallen victim to a cruel scam.

Ms M reported the scam to Revolut. She also complained that it had not sufficiently intervened in the transactions and asked it to refund her money, with 8% interest.

Revolut turned down Ms M's complaint. In summary, it said it had detected the payments to the new beneficiaries might be suspicious. But for each payment it had given her warnings about the relevant scam risks based on the (incorrect) information she had given it and, on one occasion, put her in touch with its support team. As she'd wanted to proceed, Revolut processed her payments in line with its account terms and conditions. It said it did everything in its power to recover her funds. It was able to recover £500, which it paid to her.

Unhappy with Revolut's response, Ms M came to us.

Our Investigator looked into the complaint. Having done so, she concluded that:

- Revolut had made proportionate interventions. Its fraud detection systems had raised warnings for the transactions. But Ms M had not given Revolut the correct reason for the transfers (which was for an investment) and instead said the payments were to buy or rent goods and services. This meant Revolut's warnings were tailored to goods or services scams and didn't resonate with Ms M.
- Revolut made a human intervention in the fourth transaction, by way of an online chat with its support team. It asked Ms M whether she was being guided in her answers. Ms M said she wasn't but her conversations with the scammers show that they were telling her what to say. So our Investigator didn't think Revolut could reasonably have prevented Ms M's loss.
- There was no evidence the peer to peer sellers were involved in the scam, so our Investigator didn't think Revolut could have done more to attempt recovery. The £500 it had recovered had been credited to Ms M.

Ms M didn't agree with our Investigator's findings and asked for an Ombudsman's review. In brief summary, she said Revolut should have asked her open and probing questions from the first payment, given the amount and lack of payment history. At that point, she wasn't being guided on answers to give to Revolut.

She said the 'cryptocurrency investment' had all the hallmarks of a scam, and Revolut should have been on the lookout for this. It should reasonably have identified and explained the cryptocurrency scam and, had it done so, she wouldn't have proceeded.

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.

I've briefly summarised the submissions I've received from Ms M and Revolut, but I've read and carefully considered all the evidence. I'll focus on what I think are the key issues.

Having taken into account longstanding regulatory expectations and requirements, and what I consider to be good industry practice, I think Revolut ought to have been on the look-out for the possibility of fraud and made additional checks before processing payments in some circumstances.

I've considered whether Revolut should have recognised Ms M was at risk of financial harm and, if so, whether its interventions were timely and proportionate.

For each new beneficiary, Revolut asked Ms M whether she knew and trusted the payee and wished to authorise the transfer. The warning said:

"Do you know and trust this payee?"

If you're unsure, don't pay them, as we may not be able to help you get your money back. Remember, fraudsters can impersonate others, and we will never ask you to make a payment."

Revolut asked Ms M to choose from one option from a list depending on the purpose of her payment, and then she was given a warning that the transaction had been flagged in Revolut's system as a potential scam. She selected *"buy or rent goods or services"* rather than *"as part of an investment"*, which better matched the payment purpose.

Ms M was then shown warnings relevant to purchase scams, including: being wary of bargains; researching the seller; using a secure payment option; and asking for proof of ownership. Having confirmed she wished to continue, a risk agreement was presented to Ms M to acknowledge she'd been warned about the risks which she had to acknowledge to proceed.

For the first three payments, I think Revolut's intervention was proportionate to the risk the payments presented. Her payments matched the account opening purpose she'd given of 'transfers'. For each payment Revolut asked Ms M about the payment purpose and gave her a scam warning tailored to purchase scams, which was in line with the purpose she'd selected. I appreciate these warnings might not have resonated with Ms M, but I don't think this was Revolut's responsibility given it had provided warnings in line with her stated payment purpose.

I can't see that Revolut could reasonably have identified that Ms M's payments were for the purchase of cryptocurrency, such that a warning tailored to cryptocurrency scams should have been given to her.

I've carefully considered Ms M's argument that Revolut should have made an intervention by telephone or in-app chat intervention at the time she made the first three payments, because it should have been aware that the scammers might be coaching her about how to answer the questions.

I've considered the pattern and amounts of payments 1 to 3. I note that payments 1 (£3,000) and 2 (£2,000) were to different beneficiaries. Payment 3 was made six days later to the same payee as payment 2. Payments 1 to 3 were not identifiably to cryptocurrency platforms, being peer to peer payments. I've noted Ms M's point about the possibility she was being guided in her answers. But overall, I don't consider that human intervention in payments 1, 2 or 3 would have been a proportionate response to the risk the transactions presented, given their amounts, payees and the payment pattern. I remain of the view that the written warning tailored to the payment purpose given by Ms M was appropriate.

Given my findings on this point, it's not necessary for me to decide whether Ms M would likely have given truthful answers to any earlier human intervention.

For payment 4, Revolut did make a human intervention in that Ms M could not proceed until she'd engaged with Revolut in a 'payment purpose review' online conversation with an agent (via the Revolut app). After selecting the payment reason (buying or renting goods or

services) and seeing the scam risk warnings, Ms M then engaged in a chat with Revolut in which she answered some questions about the transaction.

Although the questions were tailored to possible purchase scams, I note that Revolut did give some context to the questions by explaining it asked her to answer truthfully because if she was being scammed the fraudster may ask her to hide the real reason for the payment, and she answered that she understood this. Revolut also explained that it was attempting to protect her account and it was trying to establish the level of risk. It's not in dispute that the scammers told Ms M how to answer these questions and I've seen the conversation between her and the scammers in which they told her the answers to give. So while I think Revolut's questions could have been more open, I don't accept it's likely that Ms M would have answered truthfully, given the answers she'd given to the earlier questions were guided by the scammers. At this point, the exchanges between the scammers and Ms M suggest that she trusted N and was willing to be guided on her responses to the extent they were not truthful. I can't see any reason that Revolut should reasonably have realised that Ms M was being guided in her answers.

For payment five, Ms M was asked to select the payment purpose, and was shown the same screens as with the earlier payments. The payment was for £5,000 but it was around three weeks after the previous payment. I think the tailored written warning was a proportionate response and, in any event, it's clear from Ms M's chats with the scammers that they were still guiding her about how to proceed. I don't think Revolut should reasonably have realised she was being guided in her answers. So I don't think I can fairly conclude that Revolut could have prevented Ms M's losses to the scammers.

The payments were peer to peer payments and it appears that they were converted to cryptocurrency. I see that Revolut was able to recover £500. But because they were peer to peer payments, this meant Ms M purchased cryptocurrency from individuals, which were paid to her cryptocurrency wallet before being transferred to the scammers. As Ms M received what she paid for (the cryptocurrency), I can't see any basis on which I could fairly decide Revolut could have recovered any additional money.

I don't underestimate the impact of the fraud on Ms M, who was trying to invest money for an important personal reason. It's clearly been a distressing time for her, and I sympathise with her. But for the reasons I've explained I can't fairly find that Revolut should be responsible – in full or in part – for the loss she's suffered.

My final decision

For the reasons I've explained, my final decision is that I don't uphold this complaint.

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

Amanda Maycock
Ombudsman