

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 her sister who was also investing on the advice of a friend. She was invited to join a group chat where other investors were discussing the investment.

Miss A was encouraged to set up a Revolut account. She was also advised to set up an account with a crypto exchange (which I'll refer to as "O"), which she was told she would use to deposit and withdraw funds into her investment account. Having purchased crypto from O, using her Revolut debit card, Miss A transferred it to the investment trading platform where she says she was able to see her trades and profits.

In total Miss A made the following payments from her Revolut account:

Transaction number	Date	Amount	Payee	Method
1	12 November 2023	£1,000	O	Debit card
2	15 November 2023	£3,000	O	Debit card
3	20 November 2023	£5,600	O	Debit card
4	20 November 2023	£171	O	Debit card
	Total loss	£9,771		

Miss A also attempted to make a payment of £8,955 on 20 November 2023, but the payment was declined on four occasions. When Miss A enquired with Revolut about why the transactions had been blocked she was told she had exceeded the weekly crypto limit and should try again the following week. Instead, Miss A made the £5,600 transaction.

Miss A said she realised it was a scam when her attempts to withdraw her profits were unsuccessful.

In December 2023 Miss A, with the support of C, complained to Revolut that it had not done enough to protect her from the scam. She argued Revolut ought to have intervened before processing her payments, as it ought to have recognised the scam risk. Revolut refused to refund Miss A's losses stating that chargeback claims would have been invalid because the payments were properly authorised by her.

C disagreed and referred a complaint to the Financial Ombudsman. Our Investigator didn't uphold the complaint. She considered that Revolut ought to have intervened on the second

payment and provided a written warning that highlighted the risks associated with crypto investment scams. But she noted that when Revolut had intervened Miss A indicated she wasn't being guided. Our Investigator believed this was inaccurate as Miss A was being guided by her sister, who in turn was being guided by the scammer on how to respond to Revolut's questions. She was therefore not persuaded that proportionate intervention from Revolut would have uncovered the scam or prevented Miss A's loss.

C disagreed on Miss A's behalf and asked for an Ombudsman's decision. It said that Miss A did not believe she was being guided in the investment and felt she was making her own decision to invest. It also noted that while Miss A's sister had been coached on what to tell Revolut, Miss A had not been. And given that Miss A was not in direct contact with the scammers, it felt it was more likely that the scam could have been uncovered and the spell broken.

The complaint was therefore 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 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 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 and 3 - I don't think any proportionate intervention would have prevented her loss. I'll explain why.

I would not have expected Revolut to be concerned when Miss A instructed her first payment of £1,000. The payment was not out of keeping with the account opening reason and in isolation it was not so large that I think Revolut should have immediately stepped in on the basis that it carried a significantly heightened risk of financial harm from fraud.

But I do think Revolut ought to have been concerned about payment 2 (and payment 3) – considering the value, the prevalence of crypto scams at the time, and what Revolut would have known about the payment destination (i.e. that it was identifiably going to a known crypto merchant). And 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 may be present, and then provided Miss A with a tailored warning based on the information available and her responses at the time.

In reaching this view, about what would have been proportionate, I'm mindful that the account was newly opened so Revolut would have had limited information on which to assess the level of risk the payment presented. I'm also mindful of not imposing a level of friction disproportionate to the level of risk a payment presents.

That said, accepting that Revolut ought to have provided Miss A with a tailored warning, relevant to crypto investment scams, at payment 2 (and payment 3), 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 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. She also hadn't been encouraged to download any remote access software. Instead, Miss A was introduced to the opportunity by her sister, who she believed was successfully investing. Miss A has also said she was not being directed by a broker or trader in relation to her investments, but rather her sister was sharing relevant information she had gathered from the various group chats.

Miss A has also described other factors that persuaded her the opportunity was legitimate. She described being invited into a large group chat where she could see many people discussing the profits they had made, which reassured her that the opportunity was legitimate. And she says she was given access to a convincing looking platform where she was able to instantly see her deposit and the profits in her account increase.

In the circumstances, I'm not convinced 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 more payments.

In support of this view, I note that when Revolut did intervene - when Miss A attempted to make the £8,955 payment – it blocked the payment and displayed an in-app warning which said “This payment was flagged as a scam so we declined it and blocked similar merchants to protect you. Review the risks to unblock”. After answering a couple of questions, Miss A was presented with a series of warning screens, including one that stated “This could be an investment scam. High returns in short periods of time aren’t guaranteed, anywhere. Please be careful”. It also warned about social media promotions, the risks of remote access software and recommended carrying out research. Despite this warning Miss A proceeded with her payment. She also accepted a statement which said “I understand and accept the risks tied to this payment. I will only proceed if I am confident that it’s legitimate”.

While I consider Revolut’s intervention should have gone further than it did, I’m mindful that it did highlight the broad risks associated with crypto investment scams and highlighted the risk that Miss A’s money may not be safe. In the circumstances, I’m not persuaded, on balance, that a more detailed warning would have resonated with Miss A to the extent that she would not have gone ahead with the payment.

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 a legitimate crypto exchange 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 one.

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 informed us that Miss A rejected my provisional decision, as she doesn’t want to be held liable for the transactions. But C and Miss A made no further comments in relation to the provisional decision.

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.

While Miss A has rejected my provisional decision, she has not raised any further arguments or evidence for my consideration. So, I see no reason to depart from the conclusions reached in my provisional – which are set out in full above. As such, I am not upholding this complaint for the reasons set out in my provisional decision.

In summary, while I consider Revolut ought to have intervened in some of Miss A’s payments, I’m not persuaded that proportionate intervention would, more likely than not,

have prevented Miss A's loss. So, I cannot reasonably hold Revolut liable for the loss 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