

The complaint

Mr M complains that Revolut Ltd (“Revolut”) have failed to refund money that Mr M lost as part of a scam.

What happened

Mr M met someone on a dating sight who was actually a scammer that I will call B. B said that they invested in a crypto trading company that was also a scam. On advice of B Mr M sent over £10,000 by card payments to crypto exchanges. The funds were then sent to the scam company. These transactions occurred in September and October 2023.

Mr M was unable to withdraw the profits he saw on the scam company website and at this point he realised that he had been scammed.

He raised a complaint with Revolut as he thought that it should have prevented him from sending the funds to the scammer and he requested that he be refunded the transactions in question.

One of our investigators looked into this matter and they did not uphold this complaint.

Mr M did not agree with this and therefore his complaint was passed to me to issue a final 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 September 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;
- 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 multistage 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.

I think that when a £4,292.44 payment was made on 29 September 2023 to a crypto exchange, Revolut should have intervened given the size of the payment and that it was clearly going to a crypto exchange. I think a proportionate intervention at this point would have been a tailored written warning, setting out the common features of crypto scams. I understand Revolut didn't do this. So, I've then thought about whether a warning from Revolut at that point could've prevented Mr M sending the payment.

Having done so, I'm not persuaded it would've prevented Mr M from losing his funds. A warning about crypto scams at this point would likely have set out the common features of a crypto scam. These would be things like - an advert on social media fronted by a celebrity; being asked to install remote access software; having a broker; and quickly making large profits that you have to pay to release. But I don't think that this would have stopped Mr M, because later on in the scam, Revolut did provide a warning setting out most of the above and it clearly did not resonate enough with Mr M, as he kept making payments to the scammer despite the warning. I also think that Mr M was so under the spell of the scammer by this point that a warning, however detailed, would not have stopped the scam. This is demonstrated by him providing misleading answers to his other account provider only two days prior to the £4,292.44 payment.

Based on the fact that only one large payment was made after this point, I don't think that Revolut needed to intervene again. But even if it did and had asked questions, for example through its in-app chat, I think that Mr M would have asked the scammer what to say to allow the payments to go through. This is demonstrated by him on 26 September 2023, when his other bank stopped a payment saying in the chat between him and B *"Ok thanks you for your advice tomorrow I go (sic) I will tell them as you told me"*. The following day, in the call between the originating bank and Mr M, he told it that he was sending funds to the crypto exchange and he was going to hold the crypto in the exchange for the long term, rather than him actually sending the funds on to the scam investment company. This again makes it more likely than not that Mr M would not have been forthcoming with Revolut had questions been asked about the £4,292.44 payment.

So overall I think that Revolut should have intervened earlier than it did. But I do not think that this would have likely stopped or uncovered the scam.

I've also thought about whether Revolut did enough to attempt to recover the money Mr M lost. In this instance, the CRM does not apply as Revolut are not part of it. I also don't think that a chargeback should have been attempted, as the payments were essentially a means to send funds from his Revolut account to the crypto exchanges - which is what happened.

I appreciate this will come as a disappointment to Mr M, and I'm sorry to hear he has been the victim of a scam. However, I'm not persuaded that Revolut can fairly or reasonably be held liable for his loss in these circumstances.

My final decision

For the reasons given above, I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 17 April 2025.

Charlie Newton
Ombudsman