

## The complaint

Mr J complains that Revolut Ltd won't refund money he lost when he was a victim of an investment scam.

Mr J is represented by a firm I'll refer to as 'C'.

## What happened

The background to this complaint is well known to both parties and so I'll only refer to some key events here.

Mr J has explained that he saw an investment advert on social media for a firm that I'll refer to as 'F' – which we now know to be a scam. Under the belief F was a legitimate firm, Mr J decided to invest (which he funded through his other bank provider(s)). As part of the scam, Mr J set up a trading account on F's platform. And F guided him through the investment process with the use of remote-desktop software.

Mr J also opened an account with Revolut on 8 January 2024. He then transferred £9,700 to the scam, via a legitimate crypto provider, on 22 January 2024. Mr J has explained that this payment was made to access his profits, as he was told he needed to prove 'liquidity'. He then realised he'd been scammed when he couldn't withdraw his funds – with more funds requested by F.

Mr J reported the scam payment to Revolut on 19 March 2024. C then complained, on Mr J's behalf, to Revolut the next day. They considered Revolut failed in their duty of care to protect Mr J from the scam – as they thought Revolut should've questioned Mr J about the £9,700 payment before processing it, which in turn, would've uncovered the scam. To settle this complaint, Mr J would accept a full reimbursement of his losses, 8% interest and £300 compensation.

Revolut didn't uphold the complaint. In short, they said:

- They detected the payment was being made to a new beneficiary and displayed the following message:

*"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".*

As Mr J acknowledged this warning, he was free to continue with the transfer.

- They showed a message informing Mr J that the transfer was riskier than most transactions. And they asked about the purpose of the payment, whether someone was pressurising him into making the payment or if he'd been called unexpectedly.
- After this, Mr J was put in touch with their support team whereby he confirmed he still wanted to proceed with the transfer.
- In addition to system-based fraud protection, they also inform customers about

scams and prevention tips through email and blogs.

- They weren't at fault for processing the transfer that Mr J authorised in the form and procedure agreed in the terms and conditions for giving consent to execute payments from his account.
- They launched a request to freeze and retrieve the funds from the fraudulent beneficiary's account. This process is bound by the cooperation from the beneficiary bank and the recovery of funds isn't guaranteed. They hadn't yet received a response.
- They're not liable for these transactions, they treated Mr J fairly and they fulfilled their duty to protect him by providing sufficient warnings and trying to recover the funds.

Mr J's complaint was referred to the Financial Ombudsman. Our Investigator didn't however think Revolut had to do anything further. He said Revolut did question Mr J about the payment before processing it, but he didn't provide accurate answers. And although Revolut could've provided a better warning, he didn't think this would've made a difference – with Mr J likely still wanting it to be made. Our Investigator also thought Mr J ignored a relevant scam warning provided by Revolut. Because of this, he didn't think Revolut was at fault for processing the payment. Nor did he think Revolut could've done anything more to recover his funds.

C disagreed. In short, they argued Revolut should've done more to understand the true nature of the payment Mr J was making. And had they done this, they believe the scam would've been uncovered.

The matter 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.

I'm sorry Mr J has been the victim of a scam, and I don't underestimate the impact this has had on him. But while I'm sympathetic to Mr J's circumstances, I must consider whether Revolut is responsible for the loss he has suffered. I know this won't be the outcome Mr J is hoping for but, for similar reasons as our Investigator, I don't think they are. And so, I don't think Revolut has acted unfairly by not refunding the payment. I'll explain why.

In broad terms, the starting position in law is that an electronic money institution (EMI) is expected to process payments that their customer authorises them to make. It isn't disputed that Mr J knowingly made the payment from his account – albeit under the direction of the scammer – and so, I'm satisfied he authorised it. Therefore, under the Payment Services Regulations 2017 and the terms of his account, Revolut are expected to process Mr J's payment and he is presumed liable for the loss in the first instance.

However, taking into account the regulatory rules and guidance, relevant codes of practice and good industry practice, there are circumstances where it might be appropriate for Revolut to take additional steps or make additional checks before processing a payment to help protect customers from the possibility of financial harm from fraud.

Here, as part of the transfer process for the payment, Revolut did provide Mr J with the warning referred to above as it was being made to a new beneficiary. But they also conducted a 'payment purpose review', in which they asked Mr J why he was making the

transfer – with the option *‘transfer to my other account’* selected. This then prompted further questioning that led to Mr J confirming:

- He understood a scammer may ask him to hide the real reason for the payment.
- He wasn’t being assisted through the questionnaire.
- He hadn’t been asked to install any software (with the remote desktop software Mr J used specifically referenced).

Mr J was then provided educational scam warnings before being referred to Revolut’s in-app chat function. In this, Mr J confirmed he was making the transfer to purchase crypto but that he wasn’t being guided to make the transaction – *“Yes I am confirming I am doing this alone”*. Nor had anyone told him to log into his Revolut account via a web browser – as Revolut explained scammers might do this and ask for screen-sharing software to be installed. And further to this, despite Revolut telling Mr J that if he was being told to send money as a tax or fee to access funds it would be a scam, he confirmed he wished to proceed.

There isn’t any documentary evidence that directly shows Mr J was being coached by F to mislead Revolut. There was however a call arranged between Mr J and F about five minutes before the payment was processed, and Mr J has explained that remote-desktop software was used part of the scam. Because of this, the most plausible explanation for why Mr J didn’t answer Revolut’s questions honestly or accurately, is that he was being directed by F at the time of making the payment.

I’m satisfied Revolut’s questions were clear and unambiguous. Despite this, Mr J didn’t disclose F’s involvement or that third party software had been installed. Because of this, Revolut would’ve understandably been reassured that Mr J wasn’t at risk of financial harm from fraud – but that he was likely making the payment for legitimate investment purposes.

At which point, I note C’s argument that Revolut ought to have questioned Mr J more than they did to understand the true nature of the payment he was making. While I accept Revolut could’ve probed further – such as asking where the investment opportunity was found or what due diligence was carried out – I’m not persuaded this would’ve made a difference. This is because, given I think Mr J was most likely being coached by F through Revolut’s ‘payment purpose review’, I think it’s most likely that F would’ve guided him how to respond to further questioning to ensure the payment was processed. This is supported by Mr J receiving subsequent guidance from F in their chat conversation, relating to what appears as another transaction, in which they direct him to *“explain to your bank that you are unable to give them any invoice as you are going to buy second-hand furniture...”* *“Try once again to call the bank, and if something happens, tell them that you are taking full responsibility”*.

Further to this, and while Revolut could arguably have provided warnings tailored to the specific risk of crypto investment scams, I’ve also considered that Mr J was given the following educational scam warning:

***“Don’t give anyone remote access***

*Scammers may ask you to install software to view your screen. Uninstall software that gives someone else control”*

And that Revolut warned Mr J – in their in-app chat function – that if he was being told to send money as a tax or fee to access funds then it would be scam. Despite these warnings, which were relevant to Mr J’s situation, he decided to proceed with making the payment.

Considering all of this, I don't think Revolut could've reasonably uncovered the scam or prevented Mr J's loss in this instance. Unfortunately, while Mr J was an innocent victim of a scam, it appears he was heavily under F's influence – and to the degree he was willing to mislead Revolut and ignore warnings that were relevant to his specific circumstances.

I've considered whether, on being alerted to the scam, Revolut could reasonably have done anything more to recover Mr J's losses, but I don't think they could. This is because the funds were sent to a legitimate crypto provider before being forwarded on to F – and so no funds would've remained in his crypto wallet.

I have a great deal of sympathy for Mr J and the loss he's suffered, as I appreciate it is a significant sum of money to him. But it would only be fair for me to direct Revolut to refund his loss if I thought they were responsible – and I'm not persuaded that this was the case. For the above reasons, I think Revolut has acted fairly and so I'm not going to tell them to do anything further.

### **My final decision**

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr J to accept or reject my decision before 4 June 2025.

Daniel O'Dell  
**Ombudsman**