

The complaint

Mrs C complains that Revolut Ltd (“Revolut”) failed to refund money that Mrs C lost as part of a scam.

What happened

Mrs C saw an advert for a company that purported to be a crypto trading firm who I will call B. B was endorsed by a deep fake video of a famous finance related celebrity. Mrs C registered her interest and was contacted by a representative of B. Mrs C made around 5 payments to a crypto exchange totalling over £8,000 via card payments in April and May 2023. The funds were then converted in crypto and sent on to B.

Mrs C was unable to withdraw the profits she saw on the scam company website and at this point she realised that she had been scammed.

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

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

Mrs C did not agree with this and therefore her 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.

The first four payments made to the crypto exchange were not large enough and did not form a pattern sufficiently indicative of a scam for me to think that Revolut should have intervened. I think though that the final payment of £4,364.55 on 23 May 2023 was large enough to have prompted an intervention from Revolut. I think an appropriate warning at this point would have been a general crypto warning setting out the common features of a crypto scam.

Revolut did not do this. So, I've then thought about whether a warning from Revolut at that point could've prevented Mrs C sending the payment.

Having done so, I'm not persuaded it would've prevented Mrs C from losing her 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.

Revolut already intervened and asked questions about the payments that Mrs C was making. During this intervention Mrs C was asked a number of questions about the payments that she was making and she gave answers that were not accurate which re-assured Revolut that the payments were not part of a scam. For example, she said that she had not installed remote access software when in fact she had. She said that there was nobody else involved when in fact she had a "broker" with B and that she had done her own research into what she was doing. Revolut also asked if she had been promised unrealistic returns which Mrs C said she had not. Given Mrs C's answers it is clear that she was aware that saying she was using a broker, or had installed remote access software etc could result in the payment being blocked. It is also clear that she was convinced that what she was doing was not a scam given that she was willing to give misleading answers to Revolut about the circumstances of the payments.

So given the above, I don't think that Mrs C would've been put off from making the final transaction, even if Revolut had intervened and told Mrs C about the common features of crypto scams. I am also mindful that Mrs C had made two withdrawals from B, prior to this final transaction. So again I think the fact she was able to do that which reinforced Mrs C's view that the payments were for a legitimate investment opportunity makes me think it's unlikely that a warning for the final transaction would have stopped the scam.

So overall I think that Revolut should have intervened more 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 Mrs C lost. In this instance, the Contingent Reimbursement Model 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 her Revolut account to the crypto exchanges - which is what happened.

I appreciate this will come as a disappointment to Mrs C, and I'm sorry to hear she has been the victim of a scam. However, I'm not persuaded that Revolut can fairly or reasonably be held liable for her 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 Mrs C to accept or reject my decision before 20 May 2025.

Charlie Newton
Ombudsman