

The complaint

Ms W complains about Revolut Ltd.

She says that Revolut didn't do enough to protect her when she became the victim of a scam and would like it to refund her the money she has lost.

What happened

Ms W was interested in the idea of AI investing, and after doing some research online, came across an advert for a company that interested her. She found the company website to be professional, and as she found it through Google, assumed that it was legitimate.

Ms W completed the contact form and was contacted shortly after. The individual who contacted her was helpful, and explained how the company could help Ms W achieve her goals. They explained that Ms W could start with a small amount, and that her dedicated advisor would be in touch shortly.

Ms W then received further contact from the person who was to act as her advisor – who gave detailed and thorough answers to her questions, and went through an identification process with Ms W, which reassured her further.

Ms W was provided with access to a portal where she would be able to view her investment and asked to download Anydesk.

Initially, things appeared to be going well, and Ms W moved money from her accounts with S and L to Revolut, before making payments to cryptocurrency platforms. Although as she understood it, she was not investing in cryptocurrency, but purchasing different types of investments.

However, this was not the case, and Ms W was being scammed out of her money. The platform she was using was fake (a common tactic used by scammers) and once the money was paid to the crypto exchange and moved, was actually going to a wallet in the scammers name, while the platform was being manipulated by the scammer to hide what was really going on.

Things began to unravel when Ms W decided she didn't want to make any further payments, but instead see how her investment grew. The scammer told her that she now owed money to the company – which Ms W initially paid but was then pressured to make further payments. Eventually she was told she would need to now pay taxes and anti-money laundering fees.

By this point, Ms W had made the following payments.

Payment	Date	Payee and payment type	Amount
1	05/05/2023	M – card	£1,500
2	21/06/2023	P - transfer	£7,000
3	26/06/2023	P - transfer	£2,850
4	29/06/2023	P - transfer	£3,000

5	05/07/2023	P - transfer	£6,000
6	05/07/2023	P - transfer	£5,700
		Total	£26,050

Once the scam had become apparent, Ms W made a complaint to Revolut – she said that it hadn't done enough to warn her of the dangers of what she was doing, and so was responsible for her loss.

Revolut didn't uphold her complaint – it said it had provided Ms W with a warning, but she chose to continue with the payment. So, Ms W brought her complaint to this Service.

Our Investigator looked into things but didn't think that Ms W's complaint should be upheld. They said that while Revolut should have had an earlier intervention with Ms W about what was going on, they weren't persuaded that an earlier intervention would have made a difference. This is because during the payment journey, Ms W transferred funds from her account with S, who intervened with what she was doing, but Ms W wasn't honest about the true reasons for her payments. So, they weren't persuaded that a further intervention from Revolut would have made a difference.

Unhappy, Ms W asked for an Ombudsman to make a final decision, so the complaint has been passed to me.

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.

Having done so, I've decided not to uphold this complaint, for broadly the same reasons as our Investigator. I know this will be disappointing for Ms W, so I'll explain why.

In broad terms, the starting position at law is that banks and other payment service providers (PSP's) are expected to process payments and withdrawals that a customer authorises it to make, in accordance with the Payment Services Regulations and the terms and conditions of the customer's account. And I have taken that into account when deciding what's fair and reasonable in this case.

Ms W authorised the payments in question here – so even though she was tricked into doing so and didn't intend for the money to end up in the hands of a scammer, she is presumed liable in the first instance.

But this isn't the end of the story. As a matter of good industry practice, Revolut should also have taken proactive steps to identify and help prevent transactions – particularly unusual or uncharacteristic transactions – that could involve fraud or be the result of a scam. However, there is a balance to be struck: banks had (and have) obligations to be alert to fraud and scams and to act in their customers' best interests, but they can't reasonably be involved in every transaction.

Taking into account the law, regulator's rules and guidance, relevant codes of practice and what I consider having been good industry practice at the time, I consider Revolut should fairly and reasonably:

- Have been monitoring accounts and any payments made or received to counter various risks, including anti-money laundering, countering the financing of terrorism, and 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 banks 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, before processing a payment, or in some cases declined to make a payment altogether, to help protect customers from the possibility of financial harm from fraud.
- 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.

In this case, I need to decide whether Revolut acted fairly and reasonably in its dealings with Ms W when she authorised payments from her account or whether it could and should have done more before processing them.

Looking at the payments Ms W made, I think that Revolut should have intervened when she made her second payment. While the initial payment was going to a known crypto exchange, I don't think that the amount was sufficiently unusual or suspicious enough for Revolut to have had concerns at this point – but the second payment was a significant increase in value and combined with the known risks associated with crypto payments, I think that Revolut should have provided Ms W with a tailored warning about crypto investment scams.

However, in order for me to uphold this complaint, I would need to think that such a warning would have made a difference, and I'm afraid that I don't think that it would have.

I can see that Revolut did ask Ms W questions about the payment via its app, one of which was if she had been asked to download software, such as Anydesk, and told her this could be a scam if this was the case. It also warned her that the transaction was more unusual than 99.2% of transactions and could be a scam, so I think it took steps to protect her against the scam.

I am also aware that Ms W had a conversation with S about the payments she was sending to Revolut on the instruction of the scammer and have been provided with the recording of the call. Unfortunately, Ms W wasn't truthful about what she was doing or why, despite S's attempts to probe about the reasons for the payment. S was very clear that she should be honest, and if anyone had asked her to lie or mislead the bank, then it would be a scam. She explained that she was moving money to pay for a holiday, for which she had already paid a deposit – and for travelling expenses, but this was not the case.

I understand that Ms W's representatives have said that Ms W wasn't coached by the scammer in what to say – and I don't have all the conversations with the scammer available to see if this is the case – but in any event, I think that it's clear Ms W had made the decision not to be upfront about the true reasons for the payments.

And while Revolut would have been able to see that the payments were going to a crypto exchange, and so Ms W wouldn't have been able to use the same story as she had with S, I am not persuaded that she would have divulged enough information to it for Revolut to have uncovered the scam or been forthcoming about the involvement of any third parties.

So, I am not persuaded that a better intervention, either through a tailored warning, or human conversation through Revolut's app would have prevented the loss.

I am very sorry for the situation Ms W now finds herself in, I know that she has lost a lot of money to a cruel and manipulative scam – but this loss was caused by a scammer, not Revolut. And I can't ask it to refund her when I am not satisfied that Revolut would have been able to prevent what happened.

My final decision

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms W to accept or reject my decision before 6 March 2025.

Claire Pugh
Ombudsman