

The complaint

Ms S is unhappy Revolut won't refund money she lost as the result of a scam.

What happened

Mrs S had an account with Revolut, which she opened in August 2023. Over the next three months, Mrs S made payments to a crypto currency exchange using her Revolut debit card. But Mrs S says she's been the victim of an investment scam. She says she's lost £20,065.

Our investigator looked at this. Our investigator identified 17 payments Mrs S had made or attempted between August and November 2023:

No	Date	Amount	Reversed?
1	24 August 2023	£50	
2	28 August 2023	£700	
3	6 September 2023	£1,000	
4	18 September 2023	£1,000	
5	22 September 2023	£2,000	
6	2 October 2023	£5,000	
7	24 October 2023	£1,000	
8	25 October 2023	£2,400	
9	30 October 2023	£1,000	Reverted
10	30 October 2023	£1,000	
11	3 November 2023	£2,050	
12	7 November 2023	£100	
13	28 November 2023	£3,650	Declined; warning given
14	28 November 2023	£3,650	
15	28 November 2023	£115	Declined
16	28 November 2023	£115	Declined
17	28 November 2023	£115	

Payments 1, 2, 3, 4, 5, 7, 8, 9, 11 and 12 were paid directly to a cryptocurrency platform. Payment 6 and 10 were paid via a subsidiary of that cryptocurrency platform. Payments 13 through 17 were made to a service that converts fiat currency to cryptocurrency, which was then paid to the cryptocurrency platform. The cryptocurrency was then paid to other wallets.

Our investigator looked at this and thought Revolut should have been concerned by the time Mrs S made the sixth payment on 2 October as this payment was significantly greater than the ones she'd made before. This would include warning Mrs S about the dangers of cryptocurrency scams. Revolut didn't do so at this time. But Revolut did provide such a warning when Mrs S tried to make the 13th payment on 28 November 2023. And Mrs S confirmed at that time that she wanted to unblock her account and continue to make the payment. With that in mind, the investigator concluded that Mrs S would most likely have made the earlier payments even had Revolut carried out a proportionate intervention and that Revolut wasn't in a position to otherwise recover the funds.

Mrs S disagrees. She thinks the intervention was too late. She says that if Revolut had intervened sooner, at a time when she was less under the spell of the scammers, it's more likely it would have broken the spell and prevented the further losses.

As the investigator couldn't resolve matters informally, 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.

I've taken into account relevant law and regulations; regulators' rules, guidance and standards; codes of practice; and what I consider to have been good industry practice at the relevant time.

The normal starting position is that payment service providers must make payments that a customer has authorised. Here, there's no dispute that Mrs S agreed to the payments in question.

Having said that, the terms and conditions that applied to Mrs S's account allows Revolut to prevent Mrs S from making payments if it were concerned about the account's security or that it might be used fraudulently. Revolut's wider legal and regulatory obligations mean it is expected to have systems and controls in place to prevent financial crime. Firms should fairly and reasonably have systems in place to detect and identify out of character and unusual transactions, or other signs that might indicate that its customers are at risk of fraud.

I've first considered what happened. Based on the statements I've seen the account opened on 23 August 2023. The next day, Mrs S paid £50 into the account which she then paid to the crypto currency exchange. Then, a few days later, Mrs S paid £800 into the account – and paid £100 to a third party and £700 to the crypto exchange. A week later, Mrs S paid £2,000 into the account, and paid £1,000 to a third party and £1,000 to the crypto exchange. Aside from the two payments to the third party, the only payments into and out of the account correspond to the payments listed earlier.

Mrs S says she was the victim of an investment scam. She says she saw an advert on a social media platform which was designed to look like a news article from a reputable news source. It reported that a famous businessman had started a new AI investment platform aimed at beginners. She followed the link featured in the advert and registered her details. She was then contacted by someone who I'll call A. A said he was a specialised investment broker. He said he'd trade cryptocurrency on Mrs S's behalf. Mrs S said she tried to check online whether this firm had a good reputation but couldn't find any information about them. A, however, provided positive reviews from past clients. Mrs S agreed to invest. She says she was given login credentials for a professional looking website showing a number of investments. At this point A said she'd need to download remote access software on her device so that A could monitor Mrs S's account if she were unavailable. Mrs S installed the software. She was then asked to make an initial minimum investment of £50, which she did. Over the weeks that followed, she made further payments. But when Mrs S tried to withdraw funds, she was told she'd need to pay a tax fee. And after she paid the tax fee, she was told she needed to pay a further fee. At this point, Mrs S says she realised she'd fallen victim to a scam.

Based on everything I've seen, I accept that Mrs S has been the victim of a scam here. The platform she was using was added to the FCA's warning list in July 2023. The firm in question has also been the subject of warnings by other regulatory bodies.

I therefore need to consider if Revolut needed to do more to protect Mrs S. On the one hand, I'm mindful that Revolut needed to strike a balance here between preventing frauds of this nature and unnecessarily inconveniencing or delaying legitimate transactions. But I'm also conscious that at the time Mrs S made these payments it was becoming clear that cryptocurrency related transactions carried an increased risk that the transaction related to fraud or a scam. These payments identifiably related to cryptocurrency – all these payments were made to a cryptocurrency exchange or to other entities connected to the exchange. And while I accept that the early payments were relatively small, on 2 October 2023 Mrs S made a payment of £5,000, identifiably for a cryptocurrency transaction. It would have been good practice for Revolut to have intervened by this point.

But in fact Revolut didn't intervene until much later – on 28 November 2023. So I need to consider if this materially changed Mrs S's position. Revolut has sent us screenshots of the warnings it presented to Mrs S. Based on what Revolut has sent us, it initially displayed a message box stating that the transaction had been declined, that there was a high scam risk, and that Mrs S needed to review these risks before she could make this payment. On the next page, a message explained that there's a high risk the payment was a scam. It then led Mrs S through a series of questions about the payment. This included whether anyone was prompting or guiding her and what the payment was for. Mrs S said she wasn't being guided. Revolut says it would nevertheless have displayed a warning that someone might tell her to ignore these warnings.

Revolut says Mrs S said the payments were part of an investment. It says it would then have displayed warnings that this could be an investment scam, that she should beware of social media promotions, that she shouldn't give anyone remote access to her device, and that she should do her crypto research. It warned her not to proceed with the transaction unless she was moving funds to an account only she had access to. It then asked Mrs S if she wanted to unblock the payments. When Mrs S answered "Yes", it said she could retry this payment.

Finally, Revolut says two further payments were declined because they were suspicious. Mrs S needed to review those transactions in the app before they could proceed.

Looking at what Mrs S has said, I think this warning was sufficiently specific to her circumstances that it should have put her on notice that she was likely the victim of a scam. In particular, Mrs S was introduced to the investor through a social media promotion, had installed remote access software on her device, and had done so to allow third parties to use her accounts on her behalf when she wasn't available.

Yet Mrs S chose to proceed anyway.

I've thought about what Mrs S has said about that. She says her English language skills weren't good – and so she didn't understand the warnings. But I don't find this particularly persuasive. The language used on the warnings was relatively straightforward – and Mrs S doesn't appear to have had any difficulties communicating, in English, with the scammers or using the cryptocurrency platforms. I further note that if I take what Mrs S says at face value it suggests any warning Revolut had given Mrs S at any point might have failed for the same reasons. In any case, I find it more likely that even if Revolut had intervened sooner Mrs S would have acted the same way she in fact did.

Similarly, I don't find Mrs S's contention that she would have been less under the spell of the scammers had Revolut intervened earlier persuasive. She's said she was given access to a

convincing online platform – clearly she'd built a rapport with the scammers and found what they said persuasive.

I recognise that this will be disappointing to Mrs S. But I'm not persuaded she would have avoided these losses had Revolut done more here. It seems most likely that she'd have carried on anyway. And so she'd have been in the same position. I cannot hold Revolut liable.

I've looked at whether Revolut took the steps it should have once it was aware that the payments were the result of fraud. But Revolut concluded it had no basis to raise a chargeback as the payment was to a cryptocurrency provider which had provided the service and had done so as described.

Having considered all the circumstances of this complaint, I don't uphold the complaint. I'm not going to tell Revolut to put things right.

My final decision

I don't uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms S to accept or reject my decision before 29 April 2025.

Rebecca Hardman
Ombudsman