

The complaint

Mr K is complaining that Revolut Ltd didn't do enough to prevent him from falling victim to a scam.

The complaint is brought on his behalf by a professional representative but for ease I'll refer mainly to Mr K in this decision.

What happened

In late 2023 Mr K fell victim to an investment scam after registering his interest in an investment opportunity he found online. He was contacted by someone who I'll refer to as "the scammer", who told him he could make "big" returns by trading in stocks and shares.

Mr K initially invested £250, and he was introduced to a convincing looking investment platform where he could see some returns on this initial investment. Encouraged by this and believing he was funding the investment, he went on to open an account with Revolut, transferred funds over to it from his bank account, and made further payments from his Revolut account as follows:

Payment number	Date	Type	Payee	Amount
1	10 November 2023	Transfer	Payee 1	£1,200
2	6 December 2023	Transfer	Payee 2	£5,000
3	19 December 2023	Transfer	Payee 3	£10,000

Mr K realised something had gone wrong when the scammer stopped contacting him and his access to the investment platform was suspended.

Mr K reported the scam to Revolut, through his representative, in March 2024. Revolut's told us it did attempt to recover the funds, but it was unsuccessful. It investigated Mr K's complaint but it didn't agree to refund the payments to him.

Mr K brought his complaint to the Financial Ombudsman Service, and our Investigator considered it. But she didn't think Revolut needed to reimburse Mr K.

Mr K didn't agree, so the complaint has now been passed to me for review and a 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.

Having done so, I'm not upholding Mr K's complaint. I'll explain why.

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 in some circumstances a financial business should take a closer look at the circumstances of the payments – for example, if it ought to be alert to a fraud risk, because the transaction is unusual for the customer, or otherwise looks characteristic of fraud. And if so, it should intervene, for example, by contacting the customer directly, before releasing the payments. But I'd expect any intervention to be proportionate to the circumstances of the payment.

Mr K opened his account with Revolut as part of the scam, and so it didn't have much information to decide if the payments he made to the scam looked unusual. It would have been relying on generic risk indicators when deciding whether to intervene in these payments.

Revolut did intervene here by asking Mr K some questions about Payment 1 and Payment 3, which I'll set out below.

When Mr K instructed Payment 1 Revolut asked him about the payment purpose. He said it was as part of an investment in cryptocurrency. He also said he wasn't being assisted, hadn't been asked to install any software, discovered the opportunity through a friend or family member, had invested in cryptocurrency before, had checked the firm was on the Financial Conduct Authority's register, and was transferring funds to his existing account.

Based on his answers to the questions, Revolut showed Mr K a cryptocurrency investment scam warning, which highlighted some of the key features of the scam Mr K was experiencing – such as, promising high returns in short period, the use of a professional looking online platform and the use of remote access. It advised Mr K to do research and not be rushed into investing. But Revolut's warning didn't appear to resonate with Mr K - he acknowledged the warning and the payment proceeded.

Revolut didn't intervene in Payment 2. But I don't think this was unreasonable. There was a three-week gap between Payments 1 and 2 so I don't think the pattern of activity was indicative of a scam. And although Mr K had added a new payee there wasn't anything in particular about the value or destination of the payment which ought to have concerned Revolut at that time.

For Payment 3, Revolut asked for the payment purpose and this time Mr W replied it was for *"purchasing goods and services."*

Mr K went on to answer the rest of Revolut's questions to say, in summary, that he wasn't being assisted, was buying goods through an online retailer, the goods were averagely priced, he knew or had met the seller, and he'd seen the item in person. Revolut went on to show Mr K a scam warning relating to the payment purpose he'd selected.

Although Mr K told Revolut Payment 1 was to invest in cryptocurrency it was not for a large amount and I think the cryptocurrency investment warning was a proportionate intervention.

For Payment 3, I also think the warning Revolut gave Mr K based on his answers to the questions was proportionate. Some time had passed since Payment 1 where Mr K confirmed he was buying cryptocurrency as part of an investment and Payment 3 was to a different

payee so there wasn't an obvious link between the payments. Mr K said he didn't intend to mislead Revolut and the questions were ambiguous – he's argued that in buying stocks and shares he could be seen to be buying goods and he did know the "seller" as he'd been speaking to the scammer for some time. While I understand Mr K's point here, there was also an option to choose that the payment was as part of making an investment, which he had already selected (accurately) for Payment 1. I'm not sure why Mr K would have selected a different reason for Payment 3 if the purpose wasn't to avoid a more detailed intervention from Revolut.

I think the interventions Revolut carried were proportionate here, based on the size of the payments, the overall activity, and how Mr K answered its questions. But Mr K has argued that a direct intervention from Revolut would likely have uncovered the scam and he's also told us that he wasn't given a detailed cover story and there's no evidence the scammer gave him any coaching. So, for completeness, I've gone on to consider this.

In doing so I must consider how Mr K responded to the intervention from his bank when he moved money to his Revolut account shortly before he made Payment 3. Mr K's bank spoke to him about the payment and Mr K said he was making it to buy a car from a relation. He was also asked if anyone had told him to move the funds to Revolut for an investment or cryptocurrency and he said they hadn't.

The notes held by Mr K's bank from its investigation say that he told it he'd been asked to give it inaccurate information to get the payment authorised quicker, which he thought was unusual – and this does contradict what's been said here about there being no evidence he was coached or guided by the scammer. And I can also see that Mr K had a conversation with the scammer shortly before he made Payment 2 and after the payment he told the scammer it had gone through seamlessly which I think suggests he was discussing potential interventions with the scammer to some extent.

On the balance of probabilities, I think it's likely Mr K had previously allowed himself to be guided by the scammer in how to answer the questions in a direct intervention from his bank and would likely have also been guided in any direct intervention from Revolut. I also think it's likely that he was guided in how to answer the questions about the third payment he made from Revolut and this explains why he answered its questions as he did.

Overall, it seems Mr K was under the spell of the scammer and was prepared to be guided in how to answer Revolut's questions. Although I can't say for sure that the scam wouldn't have been uncovered by a direct intervention from Revolut, in these circumstances, I think it's unlikely Mr K would have been open and honest about what he was doing in any proportionate, direct intervention from Revolut, such that it was more likely than not that the scam would have been uncovered by proportionate questioning.

Revolut's told us it attempted to recover the funds once it was informed of the scam but was unable to (although it's not provided any evidence of this.) However, due to the time between the scam payments and Mr K reporting the scam I think it's very unlikely any funds would have remained which Revolut could have successfully recovered.

I'm sorry to disappoint Mr K, but I'm not persuaded that Revolut ought reasonably to have done anything else here which would have led to the payments he made to the scam being prevented. It follows that I'm not going to ask Revolut to refund the payments he made.

My final decision

My final decision is that I'm not upholding Mr K's complaint.

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

Helen Sutcliffe
Ombudsman