

The complaint

Mr G complains that Revolut Ltd ('Revolut') won't refund the money he lost to an investment scam.

He's being represented by a firm of solicitors. To keep things simple, I'll refer to Mr G throughout this decision.

What happened

The background to this complaint is known to both parties, so I won't repeat all the details here.

In summary, Mr G says he came across an advert on a social media platform and thought this could be a viable way to invest for retirement. He left an enquiry and was then contacted by someone (the scammer) claiming to be an 'account manager' at a company (I'll call 'X'). And believing he was dealing with a knowledgeable and professional individual, he decided to 'invest' on their advice. As part of the process, he was instructed to download remote access software and to set up accounts with legitimate crypto-exchanges.

He started with a small 'investment' but motivated by the apparent profits this was making, he went on to invest more heavily through a series of payments between November 2021 and February 2022. He realised he'd been scammed when he tried to withdraw funds and was repeatedly asked to pay various fees for that to happen. By that time, over £25,000 had been sent to the scam – part of which was funded by borrowing from family and friends.

The scam was reported to Revolut in November 2022. A complaint was later raised and referred to our Service. Our Investigator considered it and didn't uphold it. In brief, he wasn't persuaded Revolut ought to have been concerned about any of the payments, considering the account was newly opened, the account activity, and the payment values. He was also satisfied there was little Revolut could have done to recover the funds given they'd been sent to Mr G's account and it's unlikely any money remained by the time the scam was reported.

As the matter couldn't be resolved informally, it's 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.

Having done so, I've reached the same conclusions as the Investigator and for similar reasons.

Authorisation

It's not in dispute Mr G was scammed and I'm sorry about the impact the whole experience has had on him. It's also not in dispute that he authorised the payments from his Revolut account. So, although he didn't intend the money to go to a scammer, under the Payment

Services Regulations 2017, Mr G is presumed liable for his losses in the first instance. And as the Supreme Court reiterated in *Philipp v Barclays Bank UK PLC*, banks generally have a contractual duty to make payments in compliance with the customer's instructions.

Prevention

There are, however, some situations where I consider that a business, taking into account relevant rules, codes and best practice, should reasonably have taken a closer look at the circumstances of a payment – if, for example, it's particularly out of character or suspicious.

With this in mind, I've carefully considered if it was reasonable for Revolut to have processed the disputed payments without making additional checks – and, overall, I'm satisfied it was.

I recognise Mr G has lost a significant amount of money. But it's important for me to emphasise that a business can't reasonably be expected to intervene on every transaction that may be the result of a scam. There's a balance to be struck between identifying payments that may be connected to a scam and ensuring minimal disruption to legitimate ones. And, in this case, I don't think there was enough about the payments for Revolut to have stepped in on suspicion Mr G was at a heightened risk of financial harm from fraud.

Like the Investigator, I don't think any of the disputed payments ought to have appeared as particularly concerning in value. I'm mindful the combined total, while not insignificant, was sent across several transactions, over more than two months. I'm also mindful the account was newly opened, so Revolut had limited information on which to assess a payment risk. And, looking at the payment activity, individually and collectively, I'm not persuaded there came a point that a suspicious spending pattern had developed to the extent that it ought to have triggered Revolut's fraud prevention systems.

In reaching the view that there wasn't enough about the payments for Revolut to have intervened (beyond the 'new payee' warnings it says were provided), I recognise that scams involving cryptocurrency have become increasingly prevalent. But when these payments were made, I think it was reasonable for Revolut to take account of a wide range of factors, like the ones above, when deciding if to take additional steps on a particular payment.

I'm again sorry Mr G was the victim of a cruel scam. I can understand why he wants to do all he can to recover his money. But I don't think it'd be fair to hold Revolut liable for his losses in circumstances where, as I've found here, it couldn't reasonably have been expected to have done more to prevent them. And, in terms of recovery, I agree with the Investigator that there was little Revolut could have done, given that the transfers were sent to accounts with legitimate crypto-exchanges and the funds had been sent on to the scammer by the time the scam was reported. It's unlikely any amounts remained to be retrieved by that point.

My final decision

For the reasons I've given, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 20 May 2025.

Thomas Cardia
Ombudsman