

The complaint

Mr C complains that Revolut Ltd didn't do enough to protect him from the financial harm caused by a safe account scam, or to help him recover the money once he'd reported the scam to it.

What happened

The detailed background to this complaint is well known to both parties. So, I'll only provide a brief overview of some of the key events here.

In February 2024, Mr C received a text message claiming to be from a courier stating that his order had been delayed, and it was necessary to reschedule the delivery. He accessed the link and paid a redelivery fee of approximately £3. On 17 February 2024, he was contacted by someone I'll refer to as "the scammer", who claimed to be from Bank N. The caller said there was suspicious activity on his account, and he would need to transfer his funds to a 'safe account'.

Mr C believed the scammer was genuinely calling from Bank N, and even though he had some initial doubts, he followed his instructions because he was tired and wasn't thinking straight. The scammer told him to open an account with Revolut and transfer funds to the account from Bank N. From there, he authorised seven card payments to cryptocurrency exchanges I'll refer to as "M" and "C" totalling £9,970.

Mr C complained to Revolut when he realised he'd been scammed, but it refused to refund any of the money he'd lost. His representative said the scam had caused financial difficulty and affected his mental health and that he wanted £300 compensation. Revolut told Mr C to raise chargeback claims, but the claims were rejected because the payments were authorised via 3DS.

Mr C wasn't satisfied and so he complained to this service with the assistance of his representative who said Revolut failed to provide adequate warnings and he'd believed the scam was genuine because the scammer sounded professional and knew his personal information.

Responding to the complaint, Revolut said Mr C was negligent because he made payments to cryptocurrency merchants in an attempt to protect his account and he was 'under the spell of the scammer', so it couldn't have changed the outcome. It said the Revolut account was created on 16 February 2024 and the stated purposes of the account was scheduling payments, accounts overview, and transfers. It said the chargeback claims were rejected because Mr C approved the payments by 3DS, and there were no rights for a fraud chargeback.

It said Mr C was shown an in-app warning and asked if he was being guided, to which he responded negatively. He said he was making the payment 'as part of an investment' and was then directed to a live-chat with an agent who warned him *'scammers may impersonate Revolut, another bank or the police, and pressure you to make a payment urgently, telling you to ignore our alerts. Never ignore these alerts, even if someone tells you to. Please stop*

and let us know if you are concerned for your account safety'. He was also asked questions and given a warning relevant to cryptocurrency investment scams before the payment was processed.

Revolut argued that the funds came from Mr C's account with Bank N with whom he would have had a longer standing relationship. It said Bank N would have had a far more extensive transaction history and likely intervened when Mr C transferred the funds to Revolut. It said it is an "EMI" and typically, this type of account is opened and used to facilitate payments of a specific purpose and often not used as a main account, so the payments weren't out of character or unexpected with the typical way in which an EMI account is used. It also said the fraudulent activity didn't take place primarily on the Revolut platform as it was used as an intermediary to receive funds from Bank N and then transferred to Mr C's legitimate external accounts with M and C, from where he subsequently lost control of the funds.

Finally, it said Mr C chose to discount its warnings, which showed he was committed to proceeding with the payments regardless of the warnings issued.

Our investigator didn't think the complaint should be upheld. He thought it should have been concerned because Mr C made seven payments to high-risk cryptocurrency merchants within a couple of hours, with the first four transactions (totalling £7,970) leaving the account within 30 minutes.

He noted that the first payment flagged as suspicious on Revolut's fraud detection system and Mr C said he was making the payment 'as part of an investment. He was then referred to the live chat where he reiterated the payments were for an investment, that he'd learnt about the investment platform via friends/online and that he'd been investing for six months. He also said he wasn't being guided or assisted. He was then warned the risks associated with the transaction, including safe account scams.

Our investigator explained that Bank N intervened twice when Mr C sent funds to Revolut (£8,000 on 16 February 2024 and £2,200 on 17 February 2024). During the calls, Mr C said the funds were for a holiday and he'd set up the Revolut account to benefit from a better exchange rate while abroad. During the first call, he was asked if anyone had told him to make payments to keep his money safe, which he denied. And during the second call, he said he hadn't received any calls advising his account had been compromised. He was warned about the risk of safe account scams and told that a bank will never have a legitimate reason to ask an individual to make a payment to protect their money. Mr C acknowledged this before proceeding with the payment.

Our investigator noted Mr C had explained that he hadn't really questioned why he was moving the funds to cryptocurrency accounts because he was tired, he wasn't thinking straight, and the scammer was convincing. He was satisfied Revolut's intervention was proportionate to the risk, but Mr C's responses had prevented it from detecting the scam, and he wouldn't have expected it to do anything else for the information it had. So, he didn't think it was at fault for processing the payments.

Finally, he explained there wasn't a realistic prospect of a successful chargeback because Mr C paid legitimate cryptocurrency exchanges which would've provided a service. And he didn't think he was entitled to any compensation or legal costs.

Mr C has asked for his complaint to be reviewed by an Ombudsman stating that he didn't tell Bank N he was sending funds to Revolut for a holiday or for a better exchange rate.

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 conclusion as our investigator. And for largely the same reasons. I'm sorry to hear that Mr C has been the victim of a cruel scam. I know he feels strongly about this complaint, and this will come as a disappointment to him, so I'll explain why.

I'm satisfied Mr C 'authorised' the payments for the purposes of the of the Payment Services Regulations 2017 ('the Regulations'), in force at the time. So, although he didn't intend the money to go to scammers, under the Regulations, and under the terms and conditions of his bank account, Mr C is presumed liable for the loss in the first instance.

There's no dispute that this was a scam, but although Mr C didn't intend his money to go to scammers, he did authorise the disputed payments. Revolut is expected to process payments and withdrawals that a customer authorises it to make, but where the customer has been the victim of a scam, it may sometimes be fair and reasonable for the bank to reimburse them even though they authorised the payment.

Prevention

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 February 2024 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.
- 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.

I've thought about whether Revolut could have done more to prevent the scam from occurring altogether. Buying cryptocurrency is a legitimate activity and from the evidence I've seen, the payments were made to genuine cryptocurrency exchange companies. However, Revolut ought to fairly and reasonably be alert to fraud and scams and these payments were

part of a wider scam, so I need to consider whether it did enough when he tried to make the payments. If there are unusual or suspicious payments on an account, I'd expect Revolut to intervene with a view to protecting Mr C from financial harm due to fraud.

Revolut intervened when Mr C made the first payment, so I've considered whether the intervention was proportionate to the risk presented by the payment. The payment was £2,200 to a high-risk cryptocurrency merchant from a newly opened account. Mr C was asked to provide a payment purpose and directed to a live chat with an agent where he was asked questions and given warnings relevant to both safe account scam and cryptocurrency investment scams. I've considered the information Revolut had, and I'm satisfied that the intervention was proportionate. I'm also satisfied the questions were appropriate, but Mr C's answers were misleading and prevented Revolut from detecting the scam.

None of the later payments exceeded the initial payment, and in any event, I don't think there was anything else Revolut could have done because Mr C trusted the scammer to the extent that he was prepared to mislead both Revolut and Bank N during the interactions he had with them, and to ignore the warnings he was given. So, I don't think there was anything further it could reasonably have done to detect the scam.

Recovery

I don't think there was a realistic prospect of a successful recovery because Mr C paid accounts in his own name and moved the funds onwards from there.

I've thought about whether Revolut could have done more to recover Mr C's payments when he reported the scam to it. Chargeback is a voluntary scheme run by Visa whereby it will ultimately arbitrate on a dispute between the merchant and customer if it cannot be resolved between them after two 'presentments'. Such arbitration is subject to the rules of the scheme — so there are limited grounds on which a chargeback can succeed. Our role in such cases is not to second-guess Visa's arbitration decision or scheme rules, but to determine whether the regulated card issuer (i.e. Revolut) acted fairly and reasonably when presenting (or choosing not to present) a chargeback on behalf of its cardholder (Mr C).

Mr C's own testimony supports that he used cryptocurrency exchanges to facilitate the payments. It's only possible to make a chargeback claim to the merchant that received the disputed payments. It's most likely that the cryptocurrency exchanges would have been able to evidence they'd done what was asked of them. That is, in exchange for Mr C's payments, they converted and sent an amount of cryptocurrency to the wallet address provided. So, any chargeback was destined fail, therefore I'm satisfied that Revolut's decision not to raise a chargeback request against either of the cryptocurrency exchange companies was fair.

Compensation

The main cause for the upset was the scammer who persuaded Mr C to part with his funds. I haven't found any errors or delays to Revolut's investigation, so I don't think he is entitled to any compensation.

Overall, I'm satisfied Revolut took the correct steps prior to the funds being released – as well as the steps it took after being notified of the potential fraud. I'm sorry to hear Mr C has lost money and the effect this has had on him. But for the reasons I've explained, I don't think Revolut is to blame for this and so I can't fairly tell it to do anything further to resolve this complaint.

My final decision

For the reasons I've outlined above, my final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 28 July 2025.

Carolyn Bonnell
Ombudsman