

The complaint

Ms M complains that Revolut Ltd won't refund money she lost to a scam.

Ms M is represented by A, for ease any references to Ms M also include statements made by A.

What happened

Ms M complains that she made the following card payments as a result of a cryptocurrency investment scam.

Payment	Date	Amount
1	13 January 2023	£10,010
Payment received	16 January 2023	£805.24
Payment received	16 January 2023	£102.13
2	26 January 2023	£10,000
3	27 January 2023	£5,832
Payment received	21 February 2023	£795.73
Payment received	21 March 2023	£806.72
	Total credit	£2,509.82
	Total Loss less credits	£23,332.18

In summary, Ms M said she saw an advertisement on social media regarding a cryptocurrency investment opportunity, which she signed up for and was then contacted by the scammer. Ms M said she realised she had been scammed because of the constant pressure from the scammer for more money and when they did not give her funds back when she requested a refund. Ms M contacted Revolut but it didn't refund her losses.

Ms M raised a complaint, but Revolut didn't uphold it. It said its system's detected that the payment to a new beneficiary was suspicious and it sent a questionnaire which asked about the payment purpose. It also gave her the option to read more about scams, cancel the payment or to proceed with it and Ms M chose to proceed.

Ms M subsequently brought her complaint to our service and our investigator thought the complaint should be upheld. He didn't think Revolut's intervention was effective enough and said that had it been, the scam would have been prevented and Ms M wouldn't have lost her money. However, our investigator thought Ms M had also acted unreasonably and should share equal responsibility for her losses.

Revolut didn't accept our investigator's view and asked for an ombudsman's decision. It said the fraudulent transaction did not originate from the customer's Revolut account. It believes we need to see what warnings Ms M's other bank gave in order to establish a clearer understanding of the events. It thinks it irrational to hold it responsible for customer losses where it was merely an intermediate link.

As an agreement couldn't be reached, the complaint has been passed to me to decide. On 7 March 2025 I issued my provisional decision in which I said the following:

"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 do not intend to uphold this complaint. I know this will come as a disappointment to Ms M, but I shall explain why I've reached the decision I have here.

Firstly, I want to clarify that I've taken into account the detailed submissions from both parties in reaching my decision. However, if there's something I've not mentioned, it isn't because I've ignored it. I haven't. Rather, I've focused on setting out what is key to my decision.

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.

However, taking into consideration the relevant regulatory rules and guidance, codes of practice and good industry practice, Revolut should have looked at the wider circumstances surrounding the transaction before making the payment and taken steps to keep its customer's accounts safe. Therefore, it ought to look out for payments which might indicate that its customer is at risk of financial harm due to fraud. So, I've thought about whether Revolut acted fairly and reasonably here.

By January 2023, firms like Revolut had been aware of the risk of multi-stage scams involving cryptocurrency (that is scams involving funds passing through more than one account controlled by the customer before being passed to a fraudster) for some time.

So, I am satisfied that, Revolut ought fairly and reasonably to have recognised that its customers could be at an increased risk of fraud when using its services to purchase cryptocurrency, and it should have had appropriate systems for checking and providing appropriate warnings.

I accept that the account was newly opened therefore Revolut did not have information on Ms M's usual account activity that it could use to identify whether the payments were unusual for her. Nevertheless, Revolut did have information about the payments themselves which it ought to have taken into consideration.

Revolut declined earlier payments Ms M attempted to make. It also stopped payment 1 and Ms M was directed to its in-app chat where an agent questioned her about the payment purpose, which is what I would expect considering the payment was of a significant value, and that it was to a cryptocurrency provider.

When questioned Ms M said she had not been asked to download screen sharing software, and she had not received any calls from anyone telling her to create a Revolut account and encouraging her to make an outbound transfer. When asked whether this was an investment, Ms M stated that it was not, and that the payment was to try out her new virtual

debit card.

I appreciate that Ms M had not answered the questions accurately. Even so, I think it unusual and doubtful that someone might make such a large payment to a cryptocurrency platform as a way to test their virtual bank card. And considering the agent was aware the payment was to a cryptocurrency platform, which is most commonly used for the purpose of investing in the cryptocurrency market, I would expect the agent to have probed further and asked for more information to establish the payment's purpose. While the questions should not amount to interrogation, I think it would have been appropriate in the circumstances to at the very least ask why she was making such a large payment if she simply wanted to test out her card and whether she intended to invest in the future. Therefore, I'm not satisfied that Revolut did enough to identify a potential scam and I don't find the warning provided by the agent sufficient.

While I think Revolut could have done more here, I must also consider whether further probing would have been effective such that Revolut might have uncovered the scam. And I am not persuaded it would. I say this because, Ms M gave inaccurate answers when questioned by the agent and has told us the scammer had guided her to answer Revolut's questions in the way she did. So on balance, I think it more likely than not Ms M would have continued to seek guidance from the scammer to answer the agent's questions to ensure the payment would be authorised.

I find Ms M was under the scammer's spell as she had been in conversation with them for several months prior and I think it is clear she had built a friendship and come to trust them. Particularly as, despite earlier reservations, by the time payment 1 was being made to the cryptocurrency exchange platform, the scammer had been able to convince Ms M to take out a large loan and to mislead her bank about its purpose. I appreciate Ms M says that she had intended to put any profits from the investment towards making improvements to her home, however this was not the primary purpose of the borrowing. Ultimately, it is for these reasons that I'm not persuaded that further questioning would have uncovered the scam, nor would Ms M have reacted positively to a more robust and detailed warning from Revolut.

Ms M made two further payments, but by this time she was starting to build up a pattern of spending, the values weren't increasing like we often see with a scam, and I don't find the length of time between them was concerning enough that Revolut ought reasonably to suspect Ms M might have been falling victim to a scam and for it to have intervened further.

Even if Revolut had intervened on the subsequent payments, I'm not persuaded Ms M would have reacted positively to its intervention. This is because Ms M said that the scammer had agreed to provide the funds to cover her loan repayments while the investment grew. And following payment 1, Ms M did receive payments from the scammer as they agreed, and I think this would have only served to deepen her trust and relationship with the scammer. This is evidenced by the fact they had also been able to convince Ms M to take further borrowing to finance the investment. Ms M received two further payments from the scammer in the months that followed and did not become suspicious until the payments stopped, and she had to fund the loan repayment herself. Considering this and based on the conversations I've seen, I think it was clear Ms M was under the spell of the scammer.

So it follows that while I find Revolut ought to have done more before processing the payment, I'm not persuaded that it would have been able to prevent Ms M's losses. As such, I can't fairly or reasonably hold Revolut responsible for the losses.

Recovery attempt

I've also considered whether Revolut did enough to try to recover the funds once it was

informed of the scam. I appreciate that Ms M doesn't think it did but as Ms M used her debit card to make the payments, the only means of recovery would be through a Chargeback claim. Chargeback is a voluntary scheme that banks sign up to, there is no statutory right for a claim to be raised. Its purpose is to resolve disputes between the cardholder and merchants, in this case that's the cryptocurrency exchange the payments were made to. There are specific rules set by the scheme providers under which a claim can be made. As the payments were made to a legitimate cryptocurrency exchange platform and to an account in Ms M's name, a claim was unlikely to succeed. This is because, Ms M received the service she paid the cryptocurrency exchange for. Ms M's dispute is with the scammer she sent her funds on to and not the cryptocurrency exchange platform. So, I don't think it is unreasonable that Revolut did not raise chargeback claims in the circumstances.

I understand that Ms M is unhappy with Revolut's actions following the scam. That said, much of Ms M's complaint relates to its complaints handling which isn't something I can consider. However, I have reviewed Revolut's communication with Ms M when she reported the scam, and I can't see that it did anything wrong in that regard.

Overall

I'm sorry to hear that Ms M has been a victim of a cruel scam and lost out here and I sympathise with her. I understand how upsetting this would have been and the difficult circumstances she has endured as a result, and I appreciate the outcome I've reached will be disappointing, but for the reasons I've outlined, I do not find Revolut needs to reimburse the money Ms M lost.

Both Ms M and Revolut now have until the due date set out above to send in any further information, should they wish to do so. All I would add is that any final submissions should be materially new. Neither party needs to repeat what it's said to us before."

Ms M didn't agree with my provisional decision. To summarise Ms M says:

- that a pattern of large payments should have led to further fraud safeguards.
- Ms M thinks Revolut had the ability to intervene but failed to do so effectively, making it unfair for her to bear the full financial burden of the scam.
- Ms M says that the logic that Revolut had less reason to intervene due to an emerging pattern contradicts prior FOS decisions.
- Ms M says that there is a critical distinction between her general trust in the cryptocurrency investment opportunity and how she would have responded to specific, targeted intervention at the crucial moment of transaction.
- Ms M also says that stronger intervention could have disrupted the scam and changed the outcome.

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 thought about Ms M's comments and I'm not minded to change the decision I've reached. Whilst I sympathise with Ms M and what she has been through, I have to put aside my feelings and consider the complaint impartially.

When an error has been made, I must consider what would have happened had the error not occurred. So, while I find Revolut ought to have probed Ms M further on the purpose of payment 1 and provided a better tailored warning, I also consider what impact that might have had in the circumstances.

I appreciate that Ms M thinks Revolut ought to have identified a risk and intervened before processing payments 2 and 3. Even if I were to find that it should have intervened further, I'm not persuaded Ms M would have reacted positively to further interventions from Revolut. By the time the latter payments were made, Ms M had received returns from the scammer as they had agreed and as she herself has identified, this was a way for the scammer to gain her trust. I find Ms M was by this point invested in what she thought was a genuine investment opportunity. So, I'm not persuaded any further warnings would have resonated with her. Therefore, I don't find Revolut needs to reimburse the money Ms M lost.

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms M to accept or reject my decision before 24 April 2025.

Oluwatobi Balogun
Ombudsman