

Complaint

Ms M is unhappy that Revolut Ltd didn't reimburse her after she fell victim to an investment scam.

Background

In late 2023, Ms M was approached by someone claiming to represent an investment company. They offered her an investment opportunity. The company would manage her funds on her behalf and generate a return. She believed that the investment was focused on cryptocurrency. Unfortunately, and Ms M couldn't have known this at the time, this individual wasn't the representative of a legitimate investment firm, but a fraudster.

He convinced Ms M to download remote access software to her phone, telling her it would help him guide her through the process of making the investment payments. She initially invested £250 but was later pressured into making further investments. She opened up an account with Revolut and then used it to send £4,960 to the account of a private individual (rather than a business account or a third-party cryptocurrency exchange). She funded the payment using a loan she had taken out from another firm, after being persuaded by the fraudster that this would help her maximise her returns.

When the fraudster suddenly stopped communicating with her, Ms M realised she had likely been the victim of a scam. She raised the issue with Revolut, but it declined to refund her. Ms M then brought her complaint to this service. It was first considered by an Investigator, who didn't uphold it. Ms M remained unhappy with that outcome, so the complaint was referred to me for a final decision.

Findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

The starting position at law is that a firm is generally expected to process a payment that a customer has authorised, in line with the Payment Services Regulations 2017 and the terms and conditions of the account. But that isn't the end of the story. I'd expect a firm like Revolut to be on the lookout for signs that a customer might be at risk of financial harm. On spotting such activity, it should take appropriate action to protect the customer. That response should be proportionate to the level of risk involved and the information available at the time. Depending on the circumstances, this could include providing tailored warning messages or pausing a payment to ask questions about the wider circumstances.

I've thought about whether Revolut should have done more to prevent the payment. Ms M had only recently opened the account at the direction of the scammer. That put Revolut in a more difficult position as it didn't have access to historic data about Ms M's spending habits, as a high street bank might have, which might help a firm determine whether a transaction was out of character.

That said, I think the payment was large enough that it should have prompted further checks. I can see that Revolut did pause the payment temporarily to ask Ms M some questions. It asked her about the purpose of the payment. She selected *"something else"*, where it might have been more accurate to select *"investment"*. It also asked whether anyone was guiding her or if she had been asked to install any remote access software. Ms M said no to both questions, although those answers weren't correct.

Based on the information that was collected during that process, Revolut presented her with several warning screens. One said:

"Don't give anyone remote access... Scammers may ask you to install software to view your screen..."

In my view, given the information that Revolut gathered during the payment process, its response to the potential fraud risk was proportionate. It provided her with several warnings based on the most commonly occurring aspects of scams and one of them was very directly relevant to her circumstances. Based on the information she provided, I wouldn't have expected it to take a more interventionist approach, such as a human intervention.

I acknowledge the point made by Ms M's representatives that selecting *"something else"* could be a meaningful fraud indicator itself. It's been suggested that a customer choosing that option might indicate someone who is being coached or is reluctant to disclose the true nature of the payment. I can see the argument that's being made here, but I don't think it's a strong indicator of heightened fraud risk in isolation. Many legitimate transactions don't fall neatly into the available categories, and customers may choose *"something else"* simply because it feels the most accurate or least inaccurate.

Importantly, Revolut didn't need to rely solely on that answer. It also asked Ms M whether anyone was guiding her or whether she had installed any remote access software. She answered no to both questions. Taken at face value, those responses would not have raised obvious concerns. Overall, I'm not persuaded that Revolut needed to treat Ms M's selection of *"something else"* as strong evidence that she was at risk of financial harm due to fraud and that the risk necessitated a human intervention.

Ms M's representatives have also pointed to the fact that she moved funds into her Revolut account and then transferred them out again almost immediately. They say this behaviour was another indicator of fraud risk that it should have picked up on. However, without additional context suggesting something was wrong, I don't think the speed of the transfer, by itself or in combination with the way that she answered Revolut's questions, would have justified a different response here.

For completeness, I also considered whether Revolut did everything I'd have expected it to do in terms of recovering Ms M's funds from the receiving account. Unfortunately, Revolut didn't become aware that she'd fallen victim to a scam until around two months after the payment had been made. Fraudsters typically move on funds as quickly as possible to frustrate recovery efforts and so the prospect that any funds remained in the receiving account was always a remote one.

I don't say any of this to downplay the fact that she's fallen victim to a cynical scam. I have a great deal of sympathy for her and the position she's found herself in. However, my role is limited to looking at the actions and inactions of Revolut. Having done so, I'm not persuaded it did anything wrong here.

Final decision

For the reasons I've explained above, 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 15 May 2025.

James Kimmitt
Ombudsman