

The complaint

Ms A complains Revolut Ltd didn't do enough to protect her when she fell victim to an investment scam and that it won't refund the money she lost as a result.

What happened

The background to this complaint is well-known to both parties and so I'll only refer to some key events here.

In February 2024, Ms A was tricked into sending money to what turned out to be a crypto investment scam. Ms A has explained she was introduced to the investment opportunity by a friend who had been investing for several months. Having expressed an interest in the investment, Ms A was contacted by an account manager who provided her with daily updates on market trends, advised on trades and shared purported earnings through screenshots of the trading dashboard. Ms A was guided to purchase crypto from several legitimate crypto exchange platforms, from there she transferred the crypto she had purchased to wallet addresses provided by the scammer.

In total Ms A made the following payments from her Revolut account:

Date and time	Payment type and payee	Amount
28 February 2024	Transfer to crypto exchange 1	£100
29 February 2024	Card payment to crypto exchange 2	£100
29 February 2024	Card payment to crypto exchange 2	£100
1 March 2024	Card payment to crypto exchange 3	£1,029.90
2 March 2024	Card payment to crypto exchange 3	£926.91
	Total loss	£2,256.81

Ms A attempted a further payment on 4 March 2024, but this was blocked by Revolut's security system. Ms A was asked questions about the payment and was warned it may be part of a scam, leading to the account being temporarily frozen. Ms A became frustrated with the time it was taking to move through Revolut's security measures, so she decided to move her funds back to another bank account. Ms A subsequently made payments to the scam from accounts she held elsewhere.

Ms A said she realised she'd been scammed when she faced undue pressure to invest additional funds and was then told she needed to invest further funds to "unlock" her profits.

Ms A reported the scam to Revolut and asked for help recovering her losses. Revolut

explained the steps it had taken to attempt to recover her funds from the recipient account of her bank transfer. It also explained why any chargeback claim would fail, as the card payments had been made to legitimate merchants who had fulfilled the service that had been paid for. It further refused to refund Ms A's losses itself as it noted the payments had been properly authorised and it had provided Ms A with effective scam warnings.

Unhappy with Revolut's response, Ms A referred a complaint to the Financial Ombudsman. She said Revolut ought to have recognised she was at risk of financial harm from fraud when she instructed her payments. She considered that if it had provided her with relevant scam warnings, her loss would have been prevented.

Our Investigator didn't uphold the complaint. While she accepted Ms A had been the victim of a scam, given what Revolut knew about the payments at the time, our Investigator didn't think it ought to have been unduly concerned about the risk of fraud, and so it wasn't necessary to carry any further checks before processing the payments.

Ms A disagreed and asked for an Ombudsman's final decision. She said Revolut ought to have recognised that her multiple transactions to different crypto accounts represented a high risk of fraud. She said in light of this risk, Revolut should have provided her with a tailored warning.

The case has now 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 conclusion as our Investigator and for largely the same reasons.

I'm sorry to learn Ms A has been the victim of a sophisticated scam, which caused her to lose money. I can appreciate why she wants to do all she can to recover the money she has lost. But I can only direct Revolut to refund her losses if it can fairly and reasonably be held responsible for them.

Should Revolut be held liable for Ms A's loss?

In line with the Payment Services Regulations 2017 (PSRs), the starting position is that Ms A is liable for payments she authorises – and Revolut generally would be liable for unauthorised payments taken from her account.

Here, there isn't any dispute Ms A authorised the payments. So, although she didn't intend the money to go to the scammers, and was clearly under their instruction when making the payments, under the PSRs she is presumed liable for her loss in the first instance.

Did Revolut need to intervene before it processed the payments?

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 PSRs 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; and
- have acted to avoid causing foreseeable harm to customers, for example by maintaining adequate systems to detect and prevent scams and by ensuring all aspects of its products, including the contractual terms, enabled it to do so.

But taking all this into account, there is also a balance to be struck between identifying payments that could potentially be fraudulent and minimising disruption to legitimate payments.

So, the starting point for me is to consider whether any of Ms A's payment instructions, either individually or collectively, were particularly unusual or suspicious to have required intervention from Revolut.

Having carefully considered Ms A's payments to the scam, I don't think there was sufficient reason for Revolut to intervene before processing Ms A's payment instructions.

While Ms A had opened her account some months before the scam occurred, she had not used it prior to the scam payments. As such, Revolut had limited information available to it to assess whether the payments were unusual or suspicious for Ms A, as it had nothing to compare her account activity with.

It would have been apparent to Revolut that the payments were going to legitimate crypto exchanges, but this is not sufficient ground for Revolut to consider the transaction to be unusual or suspicious. Many high street banks have taken steps to either limit their customer's ability to purchase crypto using their bank accounts or increase friction in relation to crypto related payments. This has left a smaller number of payment service providers, including Revolut, that allow customers to purchase crypto with few restrictions. Because of this, Revolut accounts are more likely to be used for crypto purchases, the vast majority of which are legitimate.

So, while Revolut would have recognised that Ms A's payments related to crypto, the values were not so large that it ought to have caused Revolut concern. The first three transactions were of such low values that Revolut would have had no reason to consider they indicated Ms A was at possible risk of financial harm. While the next two payments were for larger sums, I'm also not persuaded they were so significant or unusual that Revolut ought to have recognised a risk that they related to a fraud or scam, such that it ought to have intervened.

Moreover, while Ms A instructed five payments as part of the scam, these were made over the course of four days and were made to different payees, and as such did not appear to follow any clear scam pattern that ought to have alerted Revolut's suspicions.

Taking everything into account, I can't see that there was sufficiently concerning information about any of Ms A's payments that Revolut ought to have reasonably intervened or provided a specific warning before processing the payment instructions. So, while I know this will be disappointing for Ms A, I don't find that Revolut are responsible for her loss. It follows that I will not be asking it to take any further action.

My final decision

For the reasons given above, my final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms A to accept or reject my decision before 23 July 2025.

Lisa De Noronha
Ombudsman