

The complaint

Mr U is being represented by solicitors. He's complaining about Revolut Ltd because it declined to refund money he lost as a result of fraud.

What happened

Sadly, Mr U lost money to an investment scam. He already had an account with Revolut and made the following card payments from that account that were lost to the scam:

Date	Amount £
7 Jul 2023	200
14 Jul 2023	763.73
14 Jul 2023	1242.99
14 Jul 2023	293.09
14 Jul 2023	77.12
18 Jul 2023	200.04
18 Jul 2023	1,800.29
19 Jul 2023	862.38
8 Aug 2023	350
21 Aug 2023	1,260.34

All of the payments went to cryptocurrency exchanges, where I understand Mr U purchased cryptocurrency that was then transferred to the scammers.

Our investigator didn't recommend the complaint be upheld. He didn't think Revolut should have considered the payments to be particularly suspicious or that it should have asked further questions before processing them.

Mr U didn't accept the investigator's assessment, saying Revolut should have done more to scrutinise the excessive amounts leaving his account.

The complaint has now been referred to me for review.

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 overall conclusions as the investigator, and for broadly the same reasons. I haven't necessarily commented on every single point raised but concentrated instead on the issues I believe are central to the outcome of the complaint. This is consistent with our established role as an informal alternative to the courts. In considering this complaint I've had regard to the relevant law and regulations; any regulator's rules, guidance and standards, codes of practice, and what I consider was good industry practice at the time.

In broad terms, the starting position at law is that an Electronic Money Institution (EMI) such as Revolut is expected to process payments a customer authorises it to make, in accordance with the Payment Services Regulations and the terms and conditions of their account. In this context, ‘authorised’ essentially means the customer gave the business an instruction to make a payment from their account. In other words, they knew that money was leaving their account, irrespective of where that money actually went.

In this case, there’s no dispute that Mr U authorised the above payments.

There are, however, some situations where we believe a business, taking into account relevant rules, codes and best practice standards, shouldn’t have taken its customer’s authorisation instruction at ‘face value’ – or should have looked at the wider circumstances surrounding the transaction before making the payment.

Revolut also has a duty to exercise reasonable skill and care, pay due regard to the interests of its customers and to follow good industry practice to keep customers’ accounts safe. This includes identifying vulnerable consumers who may be particularly susceptible to scams and looking out for payments which might indicate the consumer is at risk of financial harm.

Taking these things into account, I need to decide whether Revolut acted fairly and reasonably in its dealings with Mr U.

The payments

I must take into account that many similar payment instructions received by Revolut will be entirely legitimate. I appreciate Mr U may not have used his account to purchase cryptocurrency before but purchasing cryptocurrency in itself doesn’t necessarily indicate the customer is falling victim to a scam.

Having considered what Revolut knew about the payments at the time, I don’t think there are sufficient grounds to conclude it should have suspected Mr U may be at harm from fraud or that it was at fault for processing them in line with his instructions. In saying this, I’m conscious the amount of each individual payment was relatively low and the payments were spread out over a number of weeks. In the circumstances, I don’t think a pattern consistent with many common types of scam had begun to emerge or that the payments should have been treated with any particular suspicion.

Our investigator has attempted to gain further information from Mr U, particularly in relation to the nature of the scam and how it unfolded, but without success. While this information would help me understand more about what went on from his perspective, it’s not directly relevant to the key issue of whether Revolut should have suspected the payments may be part of a scam or somehow intervened in the payment process.

I want to be clear that it’s not my intention to suggest Mr U is to blame for what happened in any way. He fell victim to a sophisticated scam that was carefully designed to deceive and manipulate its victims. I can understand why he acted in the way he did. But my role is to consider the actions of Revolut and, having done so, I’m not persuaded these were the cause of his losses.

Recovery of funds

I’ve also looked at whether Revolut could or should have done more to try and recover Mr U’s losses once it was aware that the payments were the result of fraud.

Mr U transferred funds to legitimate cryptocurrency accounts in his own name. From there, I understand he purchased cryptocurrency and moved it onto a wallet address of his choosing (albeit on the scammers' instructions). If Revolut tried to recover the funds, it could only have tried to do so from Mr U's own account and it's likely the money had already been moved on and, if not, anything that was left would still have been available to him to access.

As the payments outlined above were card payments, I've considered whether Revolut should have tried to recover the money through the chargeback scheme. This is a voluntary agreement between card providers and card issuers who set the scheme rules and is not enforced by law. A chargeback isn't guaranteed to result in a refund, there needs to be a right to a chargeback under the scheme rules and under those rules the recipient of the payment can defend a chargeback if it doesn't agree with the request.

We'd only expect Revolut to have raised a chargeback claim if it was likely to be successful and it doesn't appear that would have been the case here. Mr U paid legitimate cryptocurrency exchanges and would have received a service that involved changing his money into cryptocurrency before sending it to the wallet address he supplied it with. Mr U's disagreement is with the scammers, not the cryptocurrency exchanges and it wouldn't have been possible for Revolut to process a chargeback claim against the scammer as he didn't pay them directly.

In the circumstances, I don't think there was anything that Revolut could reasonably have been expected to do that would have led to the recovery of the money lost to the scam.

In conclusion

I recognise Mr U has been the victim of a cruel scam and I'm sorry he lost this money. I realise the outcome of this complaint will come as a great disappointment but, for the reasons I've explained, I think Revolut acted fairly and reasonably in its dealings with him and I won't be telling it to make any refund.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr U to accept or reject my decision before 13 May 2025.

James Biles
Ombudsman