

## The complaint

Miss M has complained about Revolut Ltd not refunding several payments she says she made and lost to a scam.

## What happened

The background to this complaint is well known to both parties, so I won't repeat it in detail here. In summary, Miss M fell victim to an investment scam. Miss M saw an investment opportunity on social media which she believed to be endorsed by a well-known TV programme. She filled out her details and shortly afterwards was contacted by a scammer.

The scammer told Miss M that by making a small investment she would see a good profit. Miss M was directed to download screensharing software and the scammers helped her set up her account with them. However, she realised she had been scammed in July 2023 when the initial scammer ceased contact and another scammer said her accounts were in trouble and she needed to take out a loan to fix them.

Miss M made the payments to the scammer via debit card payments to a cryptocurrency exchange and faster payments directly. The relevant transaction history from Miss M's account statements are as follows:

Transaction	Date	Type of Transaction	Amount
1	11 January 2023	Card payment to cryptocurrency exchange	£2,000
2	13 January 2023	Card payment to cryptocurrency exchange	£1,000
3	26 January 2023	Faster payment to MG	£19,965.16
4	6 March 2023	Faster payment to SI	£10,010.28
5	20 March 2023	Faster payment to MG	£12,966.87
6	19 June 2023	Faster payment to MG	£16,008.88

Revolut didn't reimburse Miss M's lost funds and so she referred her complaint to us. Our Investigator looked into things and didn't recommend the complaint be upheld. He wasn't persuaded on balance that Revolut could have prevented Miss M's losses.

## 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'm aware that I've summarised this complaint briefly, in less detail than has been provided, and in my own words. No discourtesy is intended by this. Instead, I've focused on what I think is the heart of the matter here. If there's something I've not mentioned, it isn't because I've ignored it. I'm satisfied I don't need to comment on every individual point or argument to be able to reach what I think is the right outcome. Our rules allow me to do this. This simply reflects the informal nature of our service as a free alternative to the courts.

I don't doubt Miss M has been the victim of a scam here – she has lost a large sum of money and has my sympathy for this. However, just because a scam has occurred, it does not mean Miss M is automatically entitled to recompense by Revolut. It would only be fair for me to tell Revolut to reimburse Miss M for her loss (or a proportion of it) if: I thought Revolut reasonably ought to have prevented all (or some of) the payments Miss M made, or Revolut hindered the recovery of the payments Miss M made – whilst ultimately being satisfied that such an outcome was fair and reasonable for me to reach.

I've thought carefully about whether Revolut treated Miss M fairly and reasonably in its dealings with her, when she made the payments and when she reported the scam, or whether it should have done more than it did. Having done so, I've decided to not uphold Miss M's complaint. I know this will come as a disappointment to Miss M and so I want to explain why I've reached the decision I have.

I have kept in mind that Miss M made the payments herself and the starting position is that Revolut should follow its customer's instructions. So, under the Payment Services Regulations 2017 (PSR 2017) she is presumed liable for the loss in the first instance. I appreciate that Miss M did not intend for her money to ultimately go to fraudsters – but she did authorise these payments to take place. However, there are some situations when a bank should have had a closer look at the wider circumstances surrounding a transaction before allowing it to be made.

Considering the relevant: law and regulations; regulators' rules, guidance and standards; codes of practice; and, where appropriate, what I consider to be good industry practice at the time - Revolut should fairly and reasonably:

- Have been monitoring accounts and any payments made or received to counter various risks, including anti-money laundering, countering the financing of terrorism, and 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 payment service providers are generally more familiar with than the average customer.
- In some circumstances, irrespective of the payment channel used, have taken additional steps, or make additional checks, before processing a payment, or in some cases decline to make a payment altogether, to help protect customers from the possibility of financial harm from fraud.
- Have been mindful of – among other things – common scam scenarios, how the fraudulent practices are evolving (including for example the common use of multistage 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.

So, I've thought about whether the transactions should have highlighted to Revolut that Miss M might be at a heightened risk of financial harm due to fraud or a scam.

The account had only just been opened and the listed reasons for doing so were to use it for stocks and transfers. As a new account this meant there was no account history for Revolut to compare the payments against to see they were out of character.

Although the first two payments were to cryptocurrency exchange that doesn't automatically mean they should be treated as suspicious; particularly when there are no other concerning factors about the payments. I do appreciate that many banks have made the commercial decision to prevent their customers from using their service to send money to cryptocurrency exchanges and am aware that investing in cryptocurrency is a highly risky endeavour. Despite this investing in cryptocurrency is ultimately a legitimate endeavour and certain banks and Electronic Money Institutions (EMI) do permit payments to cryptocurrency exchanges.

I also don't think there was anything about the value or frequency of the first two payments that would have indicated a heightened risk of financial harm either, as they were both £2,000 or less. There was nothing that would have indicated to it that Miss M was in the process of being scammed at that time. So, I'm not persuaded there was anything that ought reasonably caused Revolut any concern.

As payment 3 was of a significantly higher value, as well as an international payment, I would have expected Revolut to have been concerned that Miss M was at risk of financial harm, which it was. Revolut intervened and after some preliminary educational scam education Miss M was prompted to choose the reason for the transfer, to which 'Goods and Services' was selected. This meant rather than an investment warning, Miss M was shown a less relevant purchase scam warning. She was then directed to answer additional questions with an agent via its in-app chat before allowing the transfer to leave her account. Revolut, amongst other things, sought confirmation as to what the payment was for and whether she had been asked to download any screensharing software. Unbeknown to Revolut, Miss M was in regular contact with the scammer via a messenger application. Miss M was not only keeping the scammer updated with her transfer progress, but also sending him screenshots so he could see what was being asked. Since there was no way Revolut could have known this, their decision to ultimately direct her to the in-app conversation with one of its agents was a reasonable intervention.

As Miss M did not provide accurate responses to Revolut's in-app questions, she denied it the opportunity to attempt to uncover the scam and prevent her losses. It is apparent from the scam chat history that the scammer was quickly building rapport with Miss M and therefore influence. The history shows the scammer had already begun suggesting how she should respond in different situations, even before Revolut's in-app chat questioning. For example, when Miss M's funds were blocked from being sent to Revolut, the scammer informed her to tell the other bank she was sending funds to her own Revolut account and not to mention him/his firm. When subsequently questioned by Revolut she continued following the scammers instructions of how to respond, informing it: 'I'm paying an invoice, I'm confident it's safe thank you'. Then again by responding 'no' to Revolut's further questions which were being asked to ascertain if she was at risk of financial harm.

The sophisticated nature of the scam, which included a trading platform with Miss M having her own log-in credentials, no doubt played a role in why she gave the misleading answers she did. She ultimately believed this to be a legitimate investment, that she was making through a sincere broker. This is evidenced by her impatience with Revolut's questions, complaining to it and the scammer about the length of time they were taking. This is likely why the examples of what a scammer may offer, such as an 'exciting investment opportunity', did not resonate with her to be forthcoming with the investment details. Nor did Revolut highlighting that 'No bank or institution should be guiding you on what to say on chat

support. If they are, they are trying to scam you'. Miss M's focus appears to have been on ensuring the funds were transferred as the priority.

The consequence of Miss M's actions stopped Revolut from being able to uncover the scam or prevent her loss. Even if Revolut had asked further questions, I'm not persuaded that Miss M would have been open and honest with her answers to those either. It's more likely that she would have continued sending the scammer screenshots, to which he would have provided advice, and she would have given answers that would have alleviated Revolut's concerns.

The level of influence the scammer held over Miss M likely explains why she felt comfortable selecting the 'Goods and Services' payment reason on payments 4 and 5 as well. By failing to select the accurate transfer reason she was still not being shown the most relevant warning. Even if Revolut had attempted to intervene with further human intervention, following how it had done so during payment 3, I am not persuaded this would have led to Miss M responding any differently than before. As the scam progressed so did Miss M's trust in the scammer, as can be seen with her telling him about one of her hobbies and sharing pictures of it. As per Miss M's testimony, she had built full trust in the scammer. Additionally, prior to making transfers she would speak with the scammer, and may well have remained on the call with him whilst completing them, being guided as necessary. Therefore, similarly to the reasons above, I think it would have been easy for the scammer to have influenced Miss M's response to any questions posed by Revolut.

I am sorry to hear about the vulnerabilities Miss M has and how the scammer used them against her. The repercussions such a cruel scam has had on Miss M is not something I have overlooked when reaching my decision either. However, I have not seen a pattern emerge that would have highlighted to Revolut that Miss M had vulnerabilities, or that they may have been impairing her decision-making during this scam. I am empathetic towards her, but I do not consider her vulnerabilities, in isolation of any other clear indicators of a potential risk of financial harm, to be something that should have triggered further red flags for Revolut. I also have not seen evidence Revolut was made aware of her vulnerabilities.

I've noted Miss M has referenced decisions that she believes are close to her circumstances. However, we consider each case on its own individual merits and although she believes the circumstances of other decisions seem to be similar, there are key differences.

Miss M was clearly under the influence of the scammer and so I'm not persuaded that her loss could have been prevented by Revolut. The level of event required to have broken the scammer's influence over Miss M was him ceasing contact, with another scammer, that hadn't built the same level of influence, requesting she take a loan. So, up until that point, it's most likely whatever intervention questions that were put to her by Revolut, Miss M would have contacted the scammer and followed his guidance as she had before.

### Recovery

The only method of recovery Revolut has for the payment made by card is to request a chargeback. However, Miss M didn't make the initial card payment to the scammer directly, she paid a cryptocurrency exchange. The service provided by the cryptocurrency exchange would have been to convert or facilitate conversion of Miss M's payments into cryptocurrency. The fact that the cryptocurrency was later transferred elsewhere, to the scammer, doesn't give rise to a valid chargeback claim against the merchant Miss M paid. Ultimately, the cryptocurrency exchange provided the requested service to her.

It's not clear if Revolut took any action to try and recover the funds Miss M transferred directly to other accounts after she reported the fraud on 7 July 2023. But given the length of time that had passed between Miss M making the payments and reporting the scam, I think it's more likely than not that the funds would have already been removed from these accounts. From what we know of these types of scams, scammers usually move the funds elsewhere shortly after receipt to seemingly try and hinder any type of successful recovery. Because of this, I'm not persuaded Revolut could have successfully recovered Miss M's funds.

So, in light of all of the above findings, there's no fair and reasonable basis under which I can ask Revolut Ltd to reimburse Miss M's loss.

### **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 Miss M to accept or reject my decision before 15 May 2025.

Lawrence Keath  
**Ombudsman**