

The complaint

Ms B complains that Revolut Ltd didn't do enough to protect her from the financial harm caused by an investment scam, or to help her recover the money once she'd reported the scam to it.

What happened

The detailed background to this complaint is well known to both parties. So, I'll only provide a brief overview of some of the key events here.

Having lost money to an investment scam, Ms B was contacted by someone I'll refer to as "the scammer" who claimed to be able to recover her lost funds. The scammer had information about the previous investment, which persuaded her the investment was genuine and between 8 November 2023 and 1 December 2023, she made eleven faster payments to seven different beneficiaries totalling £69,130.

Ms B realised she'd been scammed again when she was unable to withdraw any money, and she lost contact with the scammer. She complained to Revolut, but it refused to refund any of the money she'd lost. It said it sought to recover the funds from the recipient account in less than 24 hours and that it successfully retrieved £3,000, but it wasn't at fault for processing the transfers and it had provided sufficient scam warnings.

Ms B wasn't satisfied and so she complained to this service, arguing that Revolut didn't provide effective warnings and she wouldn't have gone ahead with the payments if she'd known she was being scammed.

Responding to the complaint, Revolut said Ms B was shown a new beneficiary warning before each payment to a new payee. For five of the payments, she said she was buying goods or services before being asked a series of questions in response to which she said she wasn't being assisted, the item was averagely priced, she knew or had met the seller, and she'd seen the item in person. She was then warned about scams and told to beware of urgency and to double check the account details she'd been given.

It further explained that for two of the payments, Ms B said she was paying a family member or friend, she'd paid them before, and she'd been given the bank details face to face. She was then warned to beware of bargains, to do research, and to ask for proof of ownership. Revolut said Ms B wasn't truthful when selecting the payment purpose, which stopped it from giving more targeted information and warnings, and that she'd been determined to go ahead with the payments.

Our investigator didn't think the complaint should be upheld. He noted that Revolut had asked questions and given warnings to Ms B, and that her responses were misleading and stopped it from detecting the scam. He was satisfied the interventions were proportionate and he didn't think it needed to do anything further in the circumstances.

Ms B has asked for her complaint to be reviewed by an Ombudsman. Her representative has argued that Revolut's warnings weren't effective, and that Revolut would have known that

most scam victims are coached to lie and should have accounted for that by challenging her responses.

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 hear that Ms B has been the victim of a cruel scam. I know he feels strongly about this complaint, and this will come as a disappointment to her, so I'll explain why.

I'm satisfied Ms B 'authorised' the payments for the purposes of the of the Payment Services Regulations 2017 ('the Regulations'), in force at the time. So, although she didn't intend the money to go to scammers, under the Regulations, and under the terms and conditions of her bank account, Ms B is presumed liable for the loss in the first instance.

There's no dispute that this was a scam, but although Ms B didn't intend her money to go to scammers, she did authorise the disputed payments. Revolut is expected to process payments and withdrawals that a customer authorises it to make, but where the customer has been the victim of a scam, it may sometimes be fair and reasonable for the bank to reimburse them even though they authorised the payment.

Prevention

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.

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 November 2023 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.

Revolut ought to fairly and reasonably be alert to fraud and scams and these payments were part of a wider scam, so I need to consider whether it ought to have intervened to warn Ms B

when she tried to make the payments. If there are unusual or suspicious payments on an account, I'd expect Revolut to intervene with a view to protecting Ms B from financial harm due to fraud.

Revolut stopped the first payment for £3,000. It asked Ms B to provide a payment purpose and asked further questions relevant to the stated purpose. She was then shown a warning which was relevant to purchase scams, and the payment was processed. I'm satisfied this was proportionate to the risk presented by the payment, that Ms B's responses prevented it from detecting the scam and that there was nothing further it ought reasonably to have done.

Revolt intervened in the same way for the next two payments, which were each for £5,000. For the fourth payment, Ms B said she was paying a family member or friend and she was asked further questions and shown a warning relevant to her responses. Again, I'm satisfied this was proportionate, that Ms B's responses prevented Revolut from detecting the scam, and that there was nothing else it could have done to stop the scam.

The next two payments were for £9,230 and £20,000 to new beneficiaries. I accept that both payments were significantly higher than the previous payments, but by the time Ms B made the £20,000 payment, she'd made several significant payments to new beneficiaries which were increasing in value, so the payment wouldn't have seemed unusual. And because there was nothing otherwise suspicious about the payee, I don't think it's unreasonable that Ms B wasn't engaged in a live chat with one of Revolut's agents.

In addition, I've considered what might have happened if Revolut had engaged Ms B in a live chat conversation with one of its agents and, based on the answers she gave to the questions she was asked, I don't think she'd have disclosed anything which would have enabled Revolut to detect the scam. So, there were no missed opportunities to prevent her loss.

Recovery

I'm satisfied that Revolut sought recovery of the funds with 24 hours of having been notified of the scam.

Compensation

The main cause for the upset was the scammer who persuaded Ms B to part with her funds. I haven't found any errors or delays to Revolut's investigation, so I don't think s is entitled to any compensation.

Overall, I'm satisfied Revolut took the correct steps prior to the funds being released – as well as the steps it took after being notified of the potential fraud. I'm sorry to hear Ms B has lost money and the effect this has had on her. But for the reasons I've explained, I don't think Revolut is to blame for this and so I can't fairly tell it to do anything further to resolve this complaint.

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms B to accept or reject my decision before 19 January 2026.

Carolyn Bonnell

Ombudsman