

The complaint

Mr R complains that Revolut Ltd won't refund him the money he lost after he fell victim to an Authorised Push Payment ("APP") scam.

Mr R brings his complaint with the assistance of professional representation, but for readability, in what follows I will refer solely to Mr R.

What happened

The background to this complaint is well known to both parties, so I won't repeat it all in detail here, but in summary I understand it to be as follows.

In or around late June 2023, Mr R saw an advertisement online promoting an investment opportunity. It appeared to have been endorsed by a well-known public figure. He followed a link on the advert and completed a form to register his interest with the company purporting to promote it. Unfortunately, this wasn't a genuine investment opportunity, but a scam.

Someone called him who claimed to be an employee of the company. They told Mr R they would manage his investment and that, in order to meet the profit Mr R hoped to achieve, focus would be on earning returns through investing in cryptocurrency.

Mr R made an initial investment, for £250, from an account he held with another financial firm. Over the coming days he was told he was making profit and, motivated by this success, he was urged by the fraudsters to capitalise and invest more, with profits seemingly guaranteed. The fraudsters instructed Mr R to set up a Revolut account in order to facilitate further payments. Believing everything to be genuine, Mr R went ahead and made a payment for £10,010 on 7 July 2023 and a further payment of £15,000, on 12 July 2023.

Shortly after Mr R had made the payment for £15,000 Revolut contacted him, through its in-app chat. It explained to Mr R it was concerned the transactions he had made were part of a scam. It asked Mr R a series of questions and asked him to provide details of the communications he had with the fraudsters. Having provided the information, Mr R asked Revolut whether it thought his money was safe, Revolut told Mr R this was a well-devised scam and that the fraudsters would push him to make even more transfers.

Mr R asked Revolut whether there was a small chance this could be genuine, but Revolut told him it highly believed he had fallen victim to a scam. Revolut informed Mr R that his account was fully operational, having been restricted, and was safe. Mr R told Revolut he didn't know why the fraudsters hadn't severed communication with him, as they knew he had no more funds and that he could ask to withdraw some money (from the investment) the following day, to see what happens. Revolut told Mr R that if he asked for a withdrawal, he may come to see exactly what they were up to. But the chat with Revolut continued over the coming days and Revolut told Mr R on a number of occasions to make sure not to send any more money.

In the meantime, Mr R continued his conversations with the fraudsters and on 26 July 2023, sent a further payment, for £2,500, to the fraudsters. The fraudsters gave Mr R different

account details, telling him he wouldn't be able to send the payments to the same account, as Revolut would block it. Mr R has said it was at this point, after making this further payment and when he was still not able to withdraw his money, that he fully realised he'd been scammed.

Mr R raised the matter with Revolut, but it didn't agree to refund him the money he lost. In summary, it didn't think it was liable for Mr R's loss as it had provided Mr R with warnings and that Mr R lacked due diligence in making the payments.

Unhappy with Revolut's response, Mr R brought his complaint to this service. One of our Investigators looked into things but didn't uphold the complaint. In summary, while he thought Revolut could have done more to establish the circumstances of the payments, he didn't think it would have made a difference and stopped Mr R from making the payments.

Mr R didn't agree with our Investigators view. In summary, he considered the intervention from Revolut to be confusing and not tailored to his specific circumstances. He said he was being open and honest with Revolut and was cooperating with its investigation as to whether this was a scam. He added that he didn't think it was suitable advice for Revolut to tell him his account was safe and to encourage him to continue to speak to the fraudster.

As agreement couldn't be reached, the complaint has been passed to me for a final decision.

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 very 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 focussed 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 haven't. 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.

At the outset I'd like to say I'm sorry to hear of what's happened to Mr R in falling victim to this scam. I'd also like to extend my deepest sympathy for his circumstances and for the terrible loss in his family, which he bravely shared details of in his submissions to this service. I can understand entirely why he feels so strongly that this money should be returned to him. But having thought very carefully about Revolut's actions, my decision here doesn't bring him the news he'd hoped for, as I think it did act fairly and reasonably in allowing the payments to leave his account. I'll explain why.

Having taken into account longstanding regulatory expectations and requirements, and what I consider to be good industry practice, Revolut ought to have been on the look-out for the possibility of fraud and made additional checks before processing payments in some circumstances.

When considering the first payment - this was a new account so there was no previous history to compare the activity with. This wasn't a payment that was identifiable as being a payment for cryptocurrency. It did not go to a cryptocurrency exchange (albeit I understand the funds would subsequently be moved through cryptocurrency to the fraudsters), but that wouldn't have been apparent to Revolut.

Revolut did present the following warning: *"Do you know and trust this payee? If you're unsure, don't pay them, as we may not be able to help you get your money back. Remember, fraudsters can impersonate others, and we will never ask you to make a payment"*. Mr R acknowledged this warning to proceed further.

But Revolut's systems still detected this payment as suspicious and put the payment on hold. It went on to ask Mr R about the purpose of the payment. Revolut has confirmed that Mr R selected 'goods and services' so the warnings that followed weren't specific to investment scams. There was an option to choose "investment" which would have been more relevant and would have provided different warnings around investment scams. But overall, I think Revolut's response to this payment was proportionate and I don't think it has done anything wrong in allowing the payment to be progressed.

I agree with our Investigator's view that the quality of Revolut's interventions could have been better for the second payment. This was the second large value payment within the space of just a few days, so I would reasonably have expected an intervention from Revolut here to come before the payment, rather than after it.

But this in and of itself doesn't mean that Revolut is liable to refund Mr R the money he sadly lost. I would also need to be persuaded that a proportionate intervention by Revolut at this point would have made a difference.

I appreciate this comes down to a judgment call, as we can't know for sure what would have happened if Revolut had done more. So I have to make this judgment impartially, based on the available evidence and on the balance of probabilities. And, having carefully weighed this up, I'm not persuaded that further probing by Revolut about the payment would likely have uncovered the scam.

I say this as, although Mr R has said he wasn't being coached by the fraudsters, the evidence I've seen suggests otherwise. Ahead of making this payment, Mr R had messaged the fraudster asking them to call him to discuss the money in his Revolut account. I'm persuaded it was more likely than not that this call would have been for the fraudster to assist with making the payment – as Mr R added that if it were just a case of transferring to the same payee he would be able to do that.

Ultimately, as there was no intervention, Mr R was able to make the transfer. However, I'm persuaded it's more likely than not, that if Revolut had asked Mr R any questions about the payment he would have reverted to the fraudster for assistance. I think this is supported by what happened with the final payment he went on to make. When, even after Revolut had told him that this was likely a scam and not to make any further payments, I can see from the conversation between Mr R and the fraudster that when making the payment he shared screenshots of questions he was being asked and of the tailored warnings, with the fraudster talking Mr R through each step of the process and what to select, to enable the payment to be progressed.

Overall, sadly, the weight of evidence here suggests that Mr R was subjected to some cruel social engineering and would have been trusting of what the fraudster was telling him and most likely would have been prepared to follow the fraudsters instructions to unwittingly foil Revolut's attempt to identify the purpose of the payment, as he went on to do with this later payment. I would add that in doing so, I do not suggest that Mr R was intending to be maliciously disingenuous with Revolut – rather I think the evidence suggests the relationship and trust he had built with the fraudsters, would have led him to follow their advice and instructions, rather than take heed of what Revolut may have been telling him.

For completeness, I think Revolut's intervention on the final payment, in providing a tailored warning was proportionate. The payment was going to a different payee to the previous two payments, was for a much lower value and it came two weeks later – so I don't think it would have been so obvious to Revolut that this payment could have been linked to the previous payments that there were concerns about.

I've also thought about Mr R's representatives' comments about him being vulnerable. I recognise that Mr R has fallen victim to a scam and of the difficult personal circumstances that he had been faced with. I'm also mindful that Mr R has said he was confused by some of the conversation that he had with Revolut, ahead of making the last payment. But I haven't seen anything to suggest that Revolut were made aware of any vulnerability factors or ought to have identified them.

Overall, from looking through the conversation Mr R had with Revolut through its in-app chat, Revolut does make it reasonably clear that it thinks Mr R was falling victim to a scam. I do see the point Mr R makes about Revolut not telling him to stop contact with the fraudster, when he suggests he is going to continue communication and ask for a withdrawal. I think it would have been better for Revolut to have told him not to do this. But for broadly the same reasons mentioned above, given how invested Mr R was, I don't think it's more likely than not Mr R wouldn't have contacted the fraudster again in any event. And importantly, as I've said above, Revolut are quite clear with Mr R that it was likely the fraudsters were only keeping communication channels open with him in the attempt to take more money from him, and that he shouldn't make any more payments to them.

I've also considered if Revolut could have done more to help Mr R recover the funds when he reported the scam. But as I understand it the funds were subsequently moved on, from accounts Mr R controlled, to the fraudsters by way of cryptocurrency, they didn't remain in the account they were sent to directly, meaning Revolut unfortunately couldn't have recovered the loss.

Overall, for the reasons I've explained, I'm not persuaded that even if Revolut had done a better job of trying to protect Mr R from financial harm from fraud that he would've revealed exactly what the payments were for. I think it's more likely than not Mr R would've reverted to the fraudster on how to answer any questions and would likely have done so in such a way as to avoid alerting Revolut to what was really happening.

It's very unfortunate Mr R has lost this money in this way, and I understand the whole experience has been deeply upsetting and I do have a great deal of sympathy for him. But in the circumstances, having carefully considered everything, I don't find Revolut could have reasonably prevented Mr R's loss here. Neither do I find there were any other failings on Revolut's part that would lead me to uphold this complaint.

My final decision

For the reasons given 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 Mr R to accept or reject my decision before 25 April 2025.

Stephen Wise
Ombudsman