

The complaint

Mr M complains that Revolut Ltd won't refund money he lost when he fell victim to an investment scam.

Mr M is being represented by solicitors in bringing this complaint.

What happened

The full details of this complaint are well known to both parties and have been previously set out by the investigator. The facts about what happened aren't in dispute, so I won't repeat them here again. Instead, I'll focus on giving my reasons for my decision.

The complaint concerns six transactions totalling around £8,500 which Mr M made in January-February 2024 using his Revolut debit card. These were made in connection to what he believed was a cryptocurrency investment opportunity which he had come across while researching online. But it turned out to be a scam.

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 agree with the conclusions reached by the investigator for these reasons:

- The starting position is that liability for an authorised payment rests with the payer, even where they are duped into making that payment. It isn't in dispute that Mr M made the card payments, so under the relevant rules – the Payment Services Regulations 2017 – they were authorised. So, Mr M is presumed liable for the loss in the first instance.
- But, having taken into account relevant law, regulators rules and guidance, relevant codes of practice and what I consider good industry practice at the time, Revolut ought to have been on the look-out for the possibility of fraud and made additional checks before processing payments in some circumstances.
- I've reviewed the previous activity on Mr M's account as well as the payments he made to the scam. Having considered the individual amounts involved, the merchants involved, as well as the gap between each transaction, I don't think the payments were *that* unusual for the account activity. I acknowledge that all but one transaction being disputed was cryptocurrency related. But that in and of itself doesn't mean that the transactions ought to have flagged as suspicious. Buying cryptocurrency is a legitimate exercise. I would also add that the previous account activity shows fiat money being exchanged into cryptocurrency and vice versa. So, in the circumstances of this case, I don't think the fact that most of the transactions were cryptocurrency related means that Revolut ought to have taken additional steps.

- It's worth noting that Revolut did take additional steps when Mr M authorised some of the payments. It initially declined two payments and after informing him that they had been flagged as a potential scam, it asked made further enquiries. After asking him if anyone was telling him how to answer the questions, Revolut asked him Mr M to select the payment purpose from a list of available options displayed on screen. According to its records, he selected 'to buy, sell, or rent goods, property or services'. Mr M was then presented with a warning tailored to his responses which was shown over a series of screens which couldn't be skipped. At the end, he was asked to confirm if he still wanted to go ahead with the payment, and he confirmed that he did.
- To continue with its enquiries, Revolut directed Mr M to the in-app chat so that an agent to ask further questions. The agent asked Mr M if he was buying cryptocurrency, and he said he was. Some specific questions were asked about the nature of the transaction, and Mr M confirmed that he was purchasing cryptocurrency from a platform which had been recommended to him by a friend who had been investing in cryptocurrency for around 18 months. Mr M also confirmed that he hadn't been asked to install a remote access or screen sharing software.
- When directed to the in-app chat for the second time, he also confirmed that he had been investing in crypto for about a year. And that nobody had asked him to send money. On that occasion, the agent asked Mr M where he planned to send the funds to from the investment platform, and he said he wasn't using an investment website – that he was sending it to himself on a 'cold wallet'.
- Mr M wasn't honest with his answers – he had been coached by the scammer on what to say if questioned about the payments. And he had installed a remote access software under the scammer's instructions. When asked specifically about cryptocurrency, he wasn't forthcoming about the true nature of the transactions. He had been asked to make the payments, and he was investing – he believed he was at the time. As there were no other concerning factors about the flagged payments, Revolut couldn't reasonably have known that the answers Mr M gave weren't accurate. In the circumstances, given his actions, prompted by the scammer, I'm not persuaded that Revolut could have done anything further to prevent Mr M's losses. So, I don't think it acted unreasonably in processing the payment instructions it received from him.
- Recovery wise, as these were debit card payments the recovery avenue would have been limited to raising a chargeback. I can see that the investigator asked Mr M to provide evidence that the non-cryptocurrency related transaction was linked to the scam, but no response was received. Given the nature of that merchant, and in the absence of the evidence that was requested, I don't think it was unreasonable for Revolut to have not pursued a chargeback for that transaction. As for the remaining payments, they went to a cryptocurrency provider where the money was converted to cryptocurrency before being sent on. In this instance, a chargeback against the merchant that Mr M's payments from Revolut went to wouldn't be successful, given it did provide the service requested (i.e., conversion of fiat money into cryptocurrency).

In summary, I fully acknowledge that there's a considerable amount of money involved here. Despite my natural sympathy for the situation in which Mr M finds himself, for the reasons given, it wouldn't be fair of me to hold Revolut responsible for his loss.

My final decision

For the reasons given, 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 M to accept or reject my decision before 10 July 2025.

Gagandeep Singh
Ombudsman