

The complaint

Mr P 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 P fell victim to a cruel investment scam. His representative has told us he was introduced to a fake investment scheme, which was offering returns through investing in cryptocurrency and other assets, by a close friend who'd had some success with it. After carrying out his own research, Mr P left his details on the scam company's website and was contacted by the scammer. He was then persuaded to make the following transfers to the scam from his Revolut account between December 2022 and April 2023:

No.	Date	Amount
1	16 Dec	5,311 USD
2	22 Dec	5,298 USD
3	28 Dec	5,320 USD
4	29 Dec	5,329 USD
5	30 Dec	3,838 USD
6	12 Jan	5,428 USD
7	17 Jan	5,029 USD
8	24 Jan	5,435 USD
9	25 Jan	5,499 USD
10	12 Apr	5,000 EUR
11	14 Apr	4,092 EUR

Payments 1 to 9 went to one overseas company and payments 10 to 11 to another.

Prior to payments 10 and 11, Mr P received payments of 4,092.14 EUR and 5,000 EUR from the first company on 28 March 2023. He says he was told this was a refund due to a system error that was necessary to keep his account in the same standing.

It was only later when Mr P tried to withdraw money from the scheme that he realised it was a scam.

Our investigator didn't recommend the complaint be upheld. Initially, he felt the payments weren't particularly out of character with previous activity on the account and that there was no reason to suspect Mr P may be falling victim to a scam. By payment 4, however, he felt Revolut should have asked further questions about the purpose of the payment so it could provide an appropriate written warning. He also felt a similar intervention should have been attempted prior to payment 9. But ultimately he didn't think this kind of intervention would have been successful in stopping the scam.

Mr P didn't accept the investigator's assessment. He provided further explanation about some of the previous activity on his account and his representative argued that the payments were sufficiently unusual that Revolut should have been prompted to contact him and ask questions about the payments that would have uncovered and stopped the scam.

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 P 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 P.

Payments 1 to 3

One of the key features of a Revolut account is that it facilitates payments that often involve large amounts and sometimes to overseas accounts, and I must take into account that many similar payment instructions it receives will be entirely legitimate.

Mr P had held his account with Revolut since 2019. A review of account activity in the months preceding December 2022 shows Mr P's salary was paid into the account and several large payments – some for similar or higher amounts than outlined above – were made out of the account. I note that some of those payments also funded investments.

Against this background, I don't believe Revolut should have viewed payments 1 to 3 with any particular suspicion. In saying this, I'm also conscious the payments were spread over the space of nearly two weeks and weren't sent to cryptocurrency exchanges, which is a common feature of many known types of scam. So, on balance, I can't reasonably say Revolut was at fault for processing the payments in line with Mr P's instructions.

Payment 4

By the time of payment 4, however, Mr P had made four payments to the scam company in the space of two weeks, including two on consecutive days, and I think this is the point at which a pattern consistent with many types of scam was beginning to emerge and Revolut should have identified he may be at risk of harm from fraud.

I've thought very carefully about what sort of intervention Revolut should have carried out and the effect this might have had. In my view a proportionate response to the risks presented by payment 4 would have been to ask Mr P to confirm the purpose of the payment in the app. If that had happened, I've no reason to think he wouldn't have said it was for an investment. Once Revolut received that answer, I think it should then have provided a tailored written warning setting out the common features of many types of investment scam.

But, on balance, it's my view that Mr P would most likely still have wanted to go ahead with the payment. The information provided by his representative indicates he had many reasons for believing this was a genuine investment opportunity. These include the following:

- He was introduced to the scheme by a close friend whose opinion he trusted.
- He waited before getting involved with the scheme, during which time he saw his friend and other mutual friends make profits and receive rewards, including an iPhone for his friend. He also saw that his friend had been able to withdraw money.
- He carried out his own research and found mainly positive reviews with no evidence the scheme wasn't legitimate.
- He found the company's website to be professional and was similarly impressed by the portal, for which he had his own login and password, that showed the status of his account in a way that was similar to other companies he'd invested with.
- His initial payment was credited to the account immediately and the portal appeared to show profits being generated that he felt were plausible.
- He had regular meetings with the scammer, who seemed professional and helpful, and his written communications appeared legitimate.
- The scammers also hosted monthly meetings to discuss profits and progress.

I think it's also relevant to note that this particular scam doesn't share some of the features of many other investment scams. For example, in most scams the victims don't actually know or meet other investors and they're often required to purchase cryptocurrency and transfer it to the scammers. So, if Revolut had provided a written warning that set out the common features of investment scams, I don't think Mr P would necessarily have recognised his own situation or that it would have resonated with him.

Taking everything into account, including the nature of the scam and the extent of Mr P's confidence in the scheme, I don't think it's likely that a written warning of the type I've described would have been successful in opening Mr P's eyes to the scam and preventing the loss from payment 4.

Later payments

If Revolut had provided an appropriate warning before processing payment 4, I don't think a further intervention would have been necessary until payment 9. While Mr P had made multiple payments to the first company by this point, payment 9 was the second in two days and this was the point at which suspicion he may be falling victim to a scam should have resurfaced.

Again, I think an appropriate response to the risks presented by payment 9 would have been for Revolut to ask Mr P to confirm the purpose in the app and, once he'd disclosed that it was to fund an investment, to show a further tailored warning setting out the common features of investment scams. For the reasons I've outlined above, I don't think it's likely such a warning would have been any more effective at this point. And if anything, I think the fact Mr P had received his own iPhone reward by this time would only have reinforced his view that the scheme was legitimate.

There's an argument that payment 11 should have triggered a similar response from Revolut as this was the second large payment to a new payee in only three days. But again, I don't believe it's likely a further written warning at this point would have changed anything and I think the fact Mr P had recently received two significant payments, albeit that he thought this was to correct an administrative error, would only have strengthened his belief in the scheme further.

I want to be clear that it's not my intention to suggest Mr P 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 P's losses once it was aware that the payments were the result of fraud.

I understand Mr P first notified Revolut of the fraud in December 2023, several months after the last payment. It's a common feature of this type of scam that the fraudster will move money very quickly to other accounts once received to frustrate any attempted recovery and I don't think anything that Revolut could have done differently would likely have led to those payments being recovered successfully after this period of time.

In conclusion

I recognise Mr P has been the victim of a cruel scam and I'm sorry he lost such a large amount of money. I realise the outcome of this complaint will come as a great disappointment but, for the reasons I've explained, I don't think an appropriate intervention by Revolut would have made a difference to the eventual outcome 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 P to accept or reject my decision before 17 June 2025.

James Biles

Ombudsman