

The complaint

Mrs G complains that Revolut Ltd won't refund money she lost when she fell victim to an investment scam.

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 three transactions – electronic payments – totalling just over £7,400 which were made in December 2023 from Mrs G's newly created e-money account with Revolut. These were made in connection to what Mrs G believed was a cryptocurrency investment opportunity which she had come across on a social media platform. But it turned out to be a scam.

This decision solely relates to Mrs G's complaint about Revolut's acts and omissions in relation to the scam. She has also complained about another payment service provider she made scam payments from. That complaint will be dealt with separately. Where relevant, I've taken into account information available on that complaint.

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. I understand that the scammer encouraged Mrs G to create the Revolut account and assisted her with the scam payments. Even though she was tricked, under the relevant rules – the Payment Services Regulations 2017 – the transactions would be considered authorised. So, she's 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.
- The investigator incorrectly stated that the first disputed transaction – £2,499.50 to a third party's personal account – was processed without any intervention from Revolut, other than a 'new payee' warning. But the technical evidence Revolut has provided shows that after providing a new payee warning, it asked Mrs G to select the payment purpose from a list of available options displayed on screen. According to its records, she selected 'paying a family member or friend'.

- Following this, Revolut asked her a series of questions during the payment flow. Mrs G confirmed that no one had been assisting her in answering Revolut's questions, and she understood that fraudsters may ask her to hide the real reason for the payment. Mrs G also advised Revolut that she had paid the beneficiary before using the same bank details, and she had also met them face to face. She was then presented with a warning tailored to her responses which was shown over a series of screens which couldn't be skipped. At the end, Mrs G was asked to confirm if she still wanted to go ahead with the payment, and she confirmed that she did.
- Mrs G wasn't honest with her answers – she had been coached by the scammer on how to answer the questions. As there were no other concerning factors about the payment, Revolut couldn't reasonably have known that the answers Mrs G gave weren't accurate. In the circumstances, I don't think it could have done anything more to stop Mrs G from making the payment.
- The next transaction – £2,502.32 to the same payee – also flagged as suspicious on Revolut's systems and as before it asked Mrs G to confirm the payment purpose. She selected the same option and this time Revolut directed her to its in-app chat function to make further enquiries. I've seen chat messages between Mrs G and the scammer, as well as the chat messages between her and Revolut. She followed the scammer's instructions and continued to mislead Revolut. She gave reassurances that she spoke to the beneficiary regularly and they were a family member living overseas. When asked for it, Mrs G also provided a screenshot from an instant messaging application showing calls made and received from another individual as evidence of having recently spoken to the beneficiary of her payment.
- The transaction in question was automatically cancelled when as it timed out while Revolut was carrying out additional checks. This happened again with the next transaction. Mrs G was able to make the next disputed transaction – £2,386.17 also to the same payee – when there was no intervention. I don't think it's unreasonable that Revolut didn't ask any additional questions, given the previous enquiries.
- The next few transactions Mrs G attempted were also flagged and cancelled while its enquiries were on-going. She was, however, able to make one further transaction – £2,501 to an overseas company. This time, when prompted for a payment purpose, Mrs G selected 'investment'. She also confirmed that no one had told her which options to choose or asked her to install any software. And that she had discovered the investment opportunity through a friend or family member. Mrs G also reassured Revolut that she had researched the company, and the funds were going to an account in her control.
- Although Mrs G selected the most appropriate payment purpose on this occasion, the rest of her answers – which were given under the scammer's guidance – were misleading. For instance, Mrs G had been asked to and agreed to download a remote access software. She was also being told what to say, and the investment hadn't been recommended by someone known to her.
- Given her actions, prompted by the scammer, I'm not persuaded that Revolut could have done anything further to prevent Mrs G's losses. In the circumstances, I don't think it acted unreasonably in processing the payment instructions it received from her.
- Thinking next about recovery of payments once Revolut was notified of the scam, I can see Revolut reached out to both the beneficiary account providers. One of them

confirmed that funds had already left the beneficiary's account, so nothing remained to be recovered. The other didn't reply despite several chasers. In the circumstances, I don't think Revolut could or should have done anything further to recover Mrs G's funds.

I fully acknowledge that there's a considerable amount of money involved here. Despite my natural sympathy for the situation in which Mrs G finds herself, for the reasons given, it wouldn't be fair of me to hold Revolut responsible for her 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 Mrs G to accept or reject my decision before 28 May 2025.

Gagandeep Singh
Ombudsman