

The complaint

Mr K complains that Revolut Ltd won't refund money he says he lost when he was a victim of an investment scam.

Mr K is represented by a firm I'll refer to as 'R'.

What happened

The background to this complaint is well known to both parties and so I'll only refer to some key events here.

Mr K has explained that in November 2023 he saw an online advertisement about AI governed crypto trading – which claimed to be endorsed by well-known celebrity and public figures. The investment firm, which I'll refer to as 'C', convinced Mr K to invest on their platform. Mr K has said he invested £5,000 and tried to withdraw it when it rose to £25,000 in value. At this point, he was told he had to pay a refundable deposit of £9,000 – which he paid twice as he was told the first payment hadn't been received. The relevant disputed transactions are:

Date	Payee	Transaction type	Amount
22 November 2023	WG	Fund transfer	£5,000
14 January 2024	PA	Fund transfer	£9,000
15 January 2024	PW	Fund transfer	£9,300
Total			£23,300

After this, Mr K received contact from multiple parties claiming to work for payment system and settlement providers. Mr K has said they demanded further excessive refundable deposits to release his funds – which led to him realising he'd been scammed.

R complained, on Mr K's behalf, to Revolut on 14 June 2024. In short, they said:

- Revolut failed to identify out of character payments that were indicative of fraud. And had Revolut intervened appropriately, the fraud would've been prevented. As such, Mr K suffered a preventable financial loss.
- An appropriate intervention would've uncovered the hallmarks of a standard crypto investment scam.
- It is understandable why Mr K felt the investment was real and believable – as he searched C online, reviewed their website, read online articles planted by C, along with being given access to a sophisticated and professional trading portal which

showed fake real time returns and deposits/trades.

- C was in constant contact with Mr K, and due to his investment inexperience, he was unfamiliar with how things worked.
- Mr K is an elderly individual and was almost certainly targeted due to the associated vulnerability, his lack of knowledge surrounding technology, investments and regulation.
- Revolut should be on the lookout for this type of scam.
- If Revolut had intervened by asking open probing questions, the scam would've been exposed.
- Revolut should refund Mr K and pay 8% simple interest.

Revolut didn't uphold the complaint. In short, they said:

- Mr K contacted them between 22 November 2023 and 12 January 2024 as his account was under review at the time.
- They notified Mr K they would be closing his account on 1 February 2024.
- They launched a request to freeze and retrieve the funds from the fraudulent beneficiary's account. This process is bound by the cooperation from the beneficiary bank and the recovery of funds isn't guaranteed. The recovery of funds was still ongoing, but they would inform Mr K via email in the case of a positive outcome.
- They detected the payment(s) was being made to a new beneficiary and displayed the following message:

"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".

As Mr K acknowledged this warning, he was free to continue with the transfers.

- They showed a message informing Mr K that the transfers were riskier than most transactions. And they asked about the purpose of the payments, whether someone was pressurising him into making them or if he'd been called unexpectedly.
- After this, Mr K was put in touch with their support team, where he confirmed he wanted to proceed with the payments.
- In addition to system-based fraud protection, they also inform customers about scams and prevention tips through email and blogs – and provide updates on their fraud and scam hub.
- They weren't at fault for processing the transfers that Mr K authorised in the form and procedure agreed in the terms and conditions for giving consent to execute payments from his account.
- They're not liable for these transactions, they treated Mr K fairly and they fulfilled their duty to protect him by providing sufficient warnings.

Mr K's complaint was referred to the Financial Ombudsman. Our Investigator didn't think Revolut had to do anything further. He wasn't persuaded that there was enough evidence to

show Mr K lost his money to a scam. And he also noted that Mr K didn't give accurate information at the time of processing the payments – as, for example, Mr K said he was paying 'friends or family' for a 'wedding gift'. He also said he wasn't being guided or been told to download any software – which wasn't true, as Mr K has said he downloaded remote desktop software.

R disagreed with our Investigator. In short, they said:

- There was sufficient evidence to show Mr K had been the victim of a scam.
- Mr K wasn't intentionally dishonest.
- Revolut's interventions weren't sufficient given the high risk of fraud.
- A proper intervention would've uncovered the scam.

Our Investigator considered R's additional points, but his position remained largely the same. He further added that Revolut asked Mr K very clear questions – including whether he was investing in crypto. Despite this, Mr K replied 'No'. This was a simple question which Mr K gave Revolut an inaccurate and misleading response to. And he couldn't find Revolut at fault for their proportionate interventions.

R remained in disagreement with our Investigator. In short, they added:

- Mr K had provided evidence to show he was the victim of a scam and asked for clarification as why this wasn't enough.
- Although answers provided by Mr K were inaccurate, Revolut shouldn't have allowed the payments to go through.
- There were very few probing questions asked, and the limited questions that were asked were enough to raise concern with Revolut – as Mr K's answers were vague and often implausible.
- Payments sent for 'something else' and 'personal reasons' should be subject to a higher level of scrutiny.
- Mr K stated that a payee was friend and that he was going to Europe at the end of the week and wanted to use his Revolut card for overseas spending, but that he was paying his friend back for something. This explanation didn't make sense to Revolut, with them expressing confusion.
- Further probing questions would've likely highlighted more contradictions and red flags. And Mr K wouldn't have been able to explain why he was sending large sums of money to different payees – he wouldn't have had the proof to back this up.
- Mr K repeatedly expressed urgency to make the payments (a red flag common in scams) and the payments shouldn't have been allowed to be made when considering Mr K's vulnerability.
- When someone of Mr K's age opens a Revolut account and uses it exclusively to transfer large sums of money to new payees while giving vague, implausible answers to intervention questions and expressing urgency to make the payments, there is a high chance a scam is at play. This should've been clear to Revolut,

- Answers shouldn't be taken at face value given Mr K's susceptibility to social engineering. And had appropriate open, probing questions been asked, his answers wouldn't have held up to scrutiny.

The matter has therefore been passed to me to decide.

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 must consider whether Revolut is responsible for the loss Mr K says he suffered to an investment scam. Having done so, and while I realise this isn't the outcome Mr K is hoping for, I don't think they are. Because of this, I don't think Revolut acted unfairly by not refunding the payments. I'll explain why.

Before I do, I want to reassure Mr K that I've considered everything R has submitted on his behalf. And so, while I've summarised this complaint in far less detail than what has been provided, I want to stress that no discourtesy is intended by this. If there is a submission I've not addressed; it isn't because I have ignored the point. It's simply because my findings focus on what I consider to be the central issue in this complaint – that being whether Revolut is responsible for the claimed loss.

My first consideration is whether Mr K was the victim of an investment scam, which is a difficult point to conclude conclusively. But for the purpose of this decision, I don't need to make a finding on that point. Instead, I'm focusing on whether action by Revolut could've prevented Mr K's loss based on the information available at the time he made the payments.

In broad terms, the starting position in law is that an electronic money institution (EMI) is expected to process payments that their customer authorises them to make. It isn't disputed that Mr K knowingly made the payments from his account and so, I'm satisfied he authorised them. Therefore, under the Payment Services Regulations 2017 and the terms of his account, Revolut are expected to process Mr K's payments, and he is presumed liable for the loss in the first instance.

However, taking into account the regulatory rules and guidance, relevant codes of practice and good industry practice, there are circumstances where it might be appropriate for Revolut to take additional steps or make additional checks before processing a payment to help protect customers from the possibility of financial harm from fraud.

Here, Revolut did carry out additional checks before processing the three payments. This involved Mr K completing a questionnaire relating to the purpose of the payments. As part of the questionnaires, Mr K confirmed the following:

- He understood that he may not be able to get his money back if he didn't answer the questions truthfully – with Revolut explaining that, if he was being scammed, the fraudster might ask him to hide the real reason for the payment.
- He confirmed he wasn't being assisted through the questionnaires.
- He gave the following reasons, and additional information, for making the payments:
 - £5,000 to WG – 'Something else' followed by 'Personal'.

- He wasn't being guided through the process by someone telling him what to select.
- He hadn't been told his account wasn't safe.
- He hadn't been asked to install any software (such as remote desktop software).
- He hadn't been told to ignore warnings – with Revolut explaining that, if he had, it's likely a scam.
- £9,000 to PA – 'Pay a family member or friend' followed by 'Wedding Gift'.
 - The person hadn't asked for help unexpectedly.
 - He had paid the person before.
 - The bank details had been provided 'face to face'.
- £9,300 to PW – 'Buy or rent goods or services' followed by 'Payment'.
 - The purchase was averagely priced or more expensive than unusual.
 - He knew/had met the seller.
 - He had seen the item in person.

While Mr K has said he fell victim to a crypto investment scam, the payments went to individuals and not to well-known crypto providers. Because of this, Revolut wouldn't have been able to identify the payments were being made for crypto purposes based on the payees alone. And despite 'as part of an investment' being available as a payment option to select, Mr K didn't choose it for any of the payments as part of Revolut's questionnaire process. Instead, he gave inaccurate information to Revolut which prevented them from identifying the true circumstances behind the payments. Consequently, it also meant that they provided tailored written warnings that weren't – mostly – relevant to Mr K's situation (as, for example, they focussed on purchase or safe account scams). Albeit I note Revolut did provide the following in relation to the first payment:

“DON'T GIVE ANYONE REMOTE ACCESS

Scammers may ask you to install software to view your screen. Uninstall software that gives someone else control”

Mr K has explained that remote-desktop software was used. And so, this warning was applicable to his circumstances.

In any event, despite Mr K giving inaccurate information to Revolut, they directed him to their in-app chat to discuss the first and third payments further. In the chat, Revolut explained:

- They'd paused the transfers as they wanted to protect him from a potential scam as, from the answers provided in their questionnaire, there was a high chance his money might be at risk. And so, they needed some additional details.
- It's important that Mr K answered honestly – as they're here to protect him from scams and keep his money safe.

- If he decided to make the payment, the most likely outcome is that he'll lose the money, and they wouldn't be able to get it back.

From this, I'm satisfied Revolut made the importance of their additional checks clear to Mr K. That being they considered him at potential risk of being scammed, and that to be able to protect him, they needed him to answer their questions honestly. Otherwise, they might not be able to get his funds back if he went ahead with the payment. There's nothing in the chat to suggest Mr K didn't understand this. I therefore would've expected him to have answered Revolut's questions openly and honestly.

Despite this however, Mr K continued to withhold the true purpose of the payments and their surrounding circumstances. For example, Mr K:

- Confirmed all his prior answers, in respect of the £5,000 payment, were correct. This included that he hadn't been asked to install software, nor was anyone guiding him through the questions.
- Explained he opened the account for day-to-day use (whereas Mr K has confirmed it was opened as part of the scam).
- In response to being asked what the specific purpose of the £5,000 payment was, he said *"I transferred money to my friend" was "going on a Europe trip end of the week so I was planning to use Revolut card"*. Further questioning led to Mr K explaining that he had *"met this person [a] couple of times"* and *"WG is my friend and I don't think this transfer is suspicious...I am currently in [country] and planning to travel in the Europe, so I created Revolut"*. Followed by *"I transferred money to my old friend"* and that he had *"met him face to face and borrowed money from him which I returned to him"*.
- Confirmed:
 - He hadn't recently downloaded any screen sharing application (with the software Mr K used specifically listed).
 - He wasn't advised to create a Revolut account after learning about an investment opportunity advertised on social media.
 - He wasn't buying crypto.
- He was making the £9,300 payment as he was *"renovating house and buying household items"*. And again, he wasn't being guided to make the transaction.

Although there was potentially contradictory information provided by Mr K relating to the £5,000 payment – as he referred to wanting to use his Revolut card for travelling and that the payment was to his friend – Revolut did question this further and sought clarification. I think this was appropriate in the circumstances. But the subsequent responses Mr K provided would've reassured Revolut that he was making the payment for legitimate purposes – as he remained consistent in explaining that he was paying a friend that he knew and had met in person.

I note R's concern that they believe Revolut asked very few probing questions, but I disagree. I think Revolut's questioning was appropriate in the circumstances, with the use of both open and closed questions to establish whether Mr K was at risk of financial harm from fraud. This included, for example, asking whether Mr K was buying crypto or making the payment as some sort of investment – which he denied. Revolut also questioned Mr K

further based on the answers he provided – such as asking why he was sending the funds to his friend. Because of this, I think the additional checks Revolut carried out were proportionate to the identifiable risk presented by the payments – and the responses Mr K gave – at the time.

Ultimately, while I've considered everything R has said, I think Mr K simply wasn't willing to disclose the true purpose of the payments or their surrounding circumstances. I appreciate Mr K may have been under the spell of a scammer and guided on what to say. But I can't hold Revolut responsible for that. And I think Revolut took reasonable steps to try to protect Mr K from fraud in the circumstances. Unfortunately, based on the information Mr K provided, Revolut were prevented from doing that and they would've been reassured he was making the payments for legitimate purposes. I'm also not persuaded that, as R has suggested, that any further probing would've uncovered the scam – as I think, even if Revolut had held Mr K's answers up to further scrutiny, he would've continued to respond in a similar manner.

I understand that R has referred to Mr K being vulnerable to the scam, due to his age, and referring to his urgency in wanting the payments to be processed as being an indicator of potential fraud. Both of which they considered should've been factors that Revolut ought to have taken into consideration when undertaking their fraud prevention checks. Having thought about this, I don't think Mr K's frustration at the delays in his payments being processed was enough of an indicator to suggest he was falling victim to a scam. Instead, I think it is understandable for a consumer to be dissatisfied with payment delays. And there wasn't anything to indicate from his interaction with the Revolut that he was making the payments under pressure from a third-party (with Mr K confirming as such). I do however appreciate that Mr K could, potentially, have been more vulnerable to a scam due to his age. But while Revolut should be on the lookout for customer vulnerabilities, so they can provide effective protection against scams, I remain of the view that their additional checks were proportionate to the risks associated with Mr K's payments. And so, I don't think Revolut could reasonably have done anything further in these circumstances.

On a final note, I've considered whether, on being alerted to the scam, Revolut could reasonably have done anything more to recover Mr K's losses, but I don't think they could. The scam was reported to Revolut in June 2024, five months after the final disputed payment. And so, given the period that had passed, it would've been unlikely that any funds remained to be recovered. Nevertheless, Revolut did attempt recovery and contacted the beneficiary banks – which is all they could do in the circumstances.

I appreciate Mr K will be disappointed by this outcome. But it would only be fair for me to direct Revolut to refund his claimed loss if I thought they were responsible – and I'm not persuaded that this was the case. For the above reasons, I think Revolut have acted fairly and so I'm not going to tell them to do anything further.

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 K to accept or reject my decision before 7 August 2025.

Daniel O'Dell
Ombudsman