

The complaint

Mr P complains about the actions of Revolut Ltd when he lost money to a scam.

Mr P is being represented by a claims management company but for ease I'll only refer to Mr P.

What happened

The detailed background to this complaint is well known to both parties. So, I'll only provide a brief overview of some of the key events here.

In early 2023, Mr P came across an advert on social media in relation to investing and decided to fill in a form. He was then contacted by a third-party representing a merchant. After speaking with the third-party he opened an account with Revolut and made around £45,000 in payments to genuine crypto exchanges.

After Mr P was unable to withdraw his funds, he realised he had been scammed. He contacted Revolut to raise a claim but was told he wouldn't receive a refund as Revolut hadn't done anything wrong. Unhappy with that response, Mr P brought his complaint to the Financial Ombudsman.

Our investigator didn't think the complaint should be upheld. He said that Revolut should've considered more of the payments suspicious and done more to discuss with Mr P why they were being made. But our investigator didn't think this would've made a difference given the evidence he had seen of Mr P providing inaccurate payment reasons and not responding truthfully to Revolut's questions.

Mr P disagreed and asked for an Ombudsman's review. He said that payment three should've been stopped and that Revolut failed to provide reasonable interventions because his answers at the time didn't make sense. If Revolut had provided better warnings, then he would've listened.

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 conclusion as our investigator. And for largely the same reasons. I'm sorry to hear that Mr P has been the victim of a cruel scam. I know he feels strongly about this complaint, and this will come as a disappointment to him, so I'll explain why.

I've read and considered the whole file. But I'll concentrate my comments on what I think is relevant. If I don't mention any specific point, it's not because I've failed to take it on board and think about it, but because I don't think I need to comment on it to reach what I think is a fair and reasonable outcome.

Where the evidence is incomplete, inconclusive, or contradictory (as it is here), I have to make my decision on the balance of probabilities – that is, what I consider is more likely than not to have happened in the light of the available evidence and the wider surrounding circumstances.

It is common ground that Mr P authorised the scam payments of around £45,000. I accept that these were authorised payments even though Mr P was the victim of a scam. So, although it wasn't his intention to pay money to the scammers, under the Payment Services Regulations 2017 (PSRs) and the terms of his account, Mr P is presumed liable for the loss in the first instance.

However, taking into account the law, 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 in order to help protect customers from the possibility of financial harm from fraud.

Revolut's first obligation is to follow the instructions that Mr P provides. But if those instructions are sufficiently unusual or uncharacteristic for the account, I'd expect Revolut to intervene and to ask their customer more about the intended transaction before processing it. I'd also expect Revolut to provide suitable warnings about common scams to help their customers make an informed decision as to whether to continue with the payment. There might also be cases where it's appropriate for Revolut to refuse to follow the instruction if there are good grounds to believe it is being made as a result of a fraud or scam.

Our investigator felt Revolut should've stopped some of the earlier payments here but that this wouldn't have made a difference. Mr P agreed that the earlier payments should've been stopped and said any warnings from Revolut with more probing questions would've uncovered the scam. I've considered what Mr P has said carefully, but I don't find what he has said to be more persuasive here. I'll explain why.

On 13 July 2023 Revolut stopped the £10,000 payment and asked Mr P why he was making it. Mr P said he wanted to send money to a crypto exchange for goods and services (an option to select making an investment was available). Revolut asked him some questions in relation to goods and services and safe account scams which wasn't applicable to the scam that Mr P was involved with before the payment was released.

On 15 July 2023 Mr P was asked to contact Revolut via the in-app chat. During that conversation Revolut told Mr P that after reviewing the transactions on his account it thought he was very likely being scammed. He was then asked if he had downloaded any screen sharing software, if he was advised to open the Revolut account after learning about an investment opportunity on social media and if he was buying crypto. Mr P answered 'No' to those questions. Revolut questioned why Mr P said no to the question about buying crypto and he told Revolut that he changed his mind and converted the money into dollars, and he doesn't hold any crypto.

Revolut then told Mr P that scammers often trick people into buying crypto from fake websites and investment platforms. It also mentioned they use tactics such as telling people they are missing out on opportunities (which Mr P confirms was applicable to this scam when he raised it with Revolut in November 2023) and asked him if he had access to his account at the crypto exchange and had withdrawn any funds he had deposited. Mr P said 'yes' to Revolut's questions. Revolut also asked how he decided on which crypto exchange to use and where did he learn about it. Mr P said he did his own research and looked at several crypto exchanges. He was then asked why he opened the Revolut account, and he said to transfer money to relatives and buy currency. He said he thought crypto would be a good investment but that he had changed his mind.

Mr P has said that the above exchange shows that he was open to any potential warnings here and if Revolut had asked the above questions and gone further earlier in the payments he had made then the scam would've been uncovered. I've considered what Mr P has said but I don't agree that the scam would've been uncovered if Revolut had intervened earlier. I think the questions Revolut asked him in the in-app chat after he sent the payments were clear and Mr P didn't answer them accurately. And I don't agree that if Revolut had asked him at the time he was making the payments why he had opened the account, the use of screen sharing software and how he had come across the crypto exchange he would've answered differently. I've seen that Mr P became irritated by Revolut's questions and said he would close his account as Revolut continued to ask him about his access to the crypto exchange.

If it's true that Mr P was open to pausing and not going ahead with the payments when he sent them, then I would've expected Revolut's questions on 15 July to have been the point where Mr P decided to truthfully tell Revolut what had happened here and then raise a scam. But I can see from the chat's with Revolut he didn't raise the scam until November 2023.

As a result of the above, I'm not satisfied that Mr P would've answered the questions differently if Revolut had intervened earlier.

Recovery

I've considered whether Revolut acted reasonably when it was made aware of the scam. Having done so, I can see Revolut requested the money from one of the crypto exchanges here but there was no money left to return. Mr P has confirmed this was sent on to the scammers as per their instructions. Nor were there any other avenues that Revolut could've been successful in retrieving Mr P's faster payments here as the beneficiary banks explained no money was available to be returned.

I appreciate this will come as a disappointment to Mr P, and I'm sorry to hear that he has been the victim of a cruel scam. As a result, I'm not persuaded that Revolut can fairly or reasonably be held liable for his loss in these circumstances.

My final decision

For the reasons given above, 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 5 May 2025.

Mark Dobson
Ombudsman