

The complaint

Miss W has complained that Revolut Ltd won't refund her money she says she lost to a scam.

What happened

Where the circumstances of the complaint are well known to both parties, I won't detail them again here. Rather, I'll focus on setting out the key reasons for my decision. I hope Revolut and Miss W won't take this as a discourtesy; it's just a reflection of the informal nature of our service.

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'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 investigator's findings for broadly the same reasons, I will explain why.

In broad terms, the starting position in law is that an EMI is expected to process payments that their customer authorises them to make. It isn't disputed that Miss W authorised the payments from her Revolut account. Therefore, under the Payment Services Regulations and the terms of her account, Revolut is expected to process Miss W's payments, and she is presumed liable for the loss in the first instance.

But, taking into account relevant law, regulators rules and guidance, relevant codes of practice and what I consider to have been good industry practice at the time, I consider it fair and reasonable in April 2024 that Revolut should:

- have been monitoring accounts and any payments made or received to counter various risks, including preventing fraud and scams;
- have had systems in place to look out for unusual transactions or other signs that might indicate that its customers were at risk of fraud (among other things). This is particularly so given the increase in sophisticated fraud and scams in recent years, which firms are generally more familiar with than the average customer;
- in some circumstances, irrespective of the payment channel used, have taken additional steps, or made additional checks, or provided additional warnings, before processing a payment – (as in practice Revolut sometimes does);
- have been mindful of – among other things – common scam scenarios, how the fraudulent practices are evolving (including for example the common use of multi-stage fraud by scammers, including the use of payments to cryptocurrency accounts as a step to defraud consumers) and the different risks these can present to consumers, when deciding whether to intervene.

So, the usual starting point is whether the instructions given by Miss W to Revolut were unusual enough to have expected additional checks to be carried out before the payments were processed. When considering this, I've kept in mind that EMLs process high volumes of transactions each day. And that there is a balance for Revolut to find between allowing customers to be able to use their account and questioning transactions to confirm they're legitimate.

Our investigator reached the opinion that based on what Revolut knew about the payments at the time they received the instruction, he wasn't persuaded it ought to have been concerned about the payments. And while I am minded to agree, Revolut has said its fraud detection systems flagged the transaction as suspicious. So, I have gone on to consider whether Revolut took proportionate steps once it had identified the payments as suspicious.

It's important to note that Miss W opened the account on 26 April 2024, which was two days prior to the scam commencing. Miss W was asked what her main reason was to open an account with Revolut and one of the reasons Miss W selected was cryptocurrency. When the payment was triggered by Revolut's fraud detection system, I don't think it would be reasonable to conclude at that stage it ought to have known the payment involved cryptocurrency. I say this because the payment method was push to card and it was being sent to an individual rather than a cryptocurrency provider. In any event, Revolut intervened and asked Miss W what the payment purpose was. She confirmed it was for an investment. At that stage, I'd have expected Revolut to have asked a series of simple questions in order to establish the risk, once that risk had been established, it should have provided a warning which was tailored to that risk and the answers Miss W provided. I'd expect any such warning to have covered off the key features of an investment scam.

Having reviewed the evidence provided, I am satisfied that Revolut did go on to ask Miss W further questions which included: was she being assisted on how to answer the questions, what kind of investment, how she discovered the opportunity, her previous experience with Crypto and what research she had completed on the company.

I am satisfied, from reviewing Miss W's responses that she answered confidently, offering Revolut reassurances. She told Revolut she had purchased cryptocurrency before, had used the company before, hadn't been guided in any way and had previous success investing in cryptocurrency. She explained she had come across the opportunity via family and friends. Having reviewed Miss W's conversation logs with the scammer and from what she has told our service (she was being given step by step guidance by the scammer) it contradicts what she has told Revolut (that she wasn't being guided in any way). As Miss W didn't provide accurate answers to Revolut, due to her following the scammer's guidance, Miss W denied Revolut the opportunity to identify she could be at risk of financial harm and provide a more in-depth intervention.

Despite that, Revolut continued to provide Miss W with a warning which highlighted the key features of an investment scam. Which I am satisfied was proportionate at the time based on the potential risk it highlighted. Miss W read the warning and confirmed she was happy for the payment to go through.

Having read the warning Revolut provided, I am satisfied it ought to have resonated with Miss W's circumstances. As such, I think it should have made Miss W consider if she was falling victim to a scam. Miss W's representative has said *"if Revolut had raised any concerns or flagged this as a potential scam, Miss W would have stopped the payment immediately"*. I don't agree, Revolut did have concerns about the payment, asked Miss W a series of questions and provided a warning about a scam which I think would have resonated with Miss W's circumstances and she confirmed she wanted to proceed with the

payment. So, I am satisfied that Revolut's intervention was proportionate and I wouldn't have expected them to do anything more at that stage.

Additionally, even if I was persuaded a stronger intervention ought to have been provided, I'm not satisfied it would have made a difference. Revolut's in app chat conversations with Miss W show on multiple occasions Revolut provided Miss W with investment scam warnings and asked a series of questions to establish the risk. In these conversations not only did Miss W not provide accurate information, but she also expressed her concerns and frustrations with Revolut asking her to provide further information. Miss W confirmed to Revolut she was confident with the company, her experience and that it wasn't a scam. Therefore, I don't think there was any further proportionate warning I would have expected Revolut to have given which would have broken the spell. I say this because Miss W has told our service she was being guided by the scammer and it appeared she was adamant to make the payment. I can't hold Revolut responsible for this.

I have gone on to consider if Revolut took reasonable steps to try and recover the funds. Revolut has said it initiated contact with the beneficiary institution but was unsuccessful. In any event due to the time that had passed from the scam occurring and when it was reported to Revolut, the type of payment in question (push to card) and in conjunction with Miss W confirming the payment was an international payment, I am satisfied it was always unlikely the funds would have been recoverable.

It follows that I won't be asking Revolut to do anything further.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss W to accept or reject my decision before 20 June 2025.

Jade Rowe
Ombudsman