

The complaint

Mr P complains that Revolut Ltd ('Revolut') won't refund the money he lost to an investment scam.

He's represented by a firm of solicitors. To keep things simple, I'll refer to Mr P throughout this decision.

What happened

The events leading up to this complaint are known to both parties, so I won't repeat all the details here.

In summary, Mr P says he received a message, in April 2023, from an individual he didn't know and had seemingly messaged by mistake. A conversation nonetheless ensued on the back of that contact, a relationship began to develop, and the communication soon moved to talking about investment opportunities. He later discovered he'd connected with a scammer.

He was led to believe money could be made in crypto-mining and was advised to set up accounts with Revolut and a crypto-exchange (I'll call 'B') to start 'investing'. To make the scam more convincing he was taken through an ID verification process and was able to make some small withdrawals at times. He started to send relatively smaller amounts at first. But believing he was building a genuine and personal relationship with a knowledgeable individual, who had his interests at heart, he went on to 'invest' more heavily on their advice.

As part of the process, he was told to send funds from his Revolut account, to his account with B for the purchase of cryptocurrency, which was then sent to the scammer. He was also told that to access his 'profits', he had to match those 'profits' with his own 'equity' – and, being an inexperienced investor, he followed the scammer's instructions. He realised he'd been scammed when he was repeatedly asked to pay more in fees to access his money. By that time, however, over £93,000 had been sent over a series of payments during April and May 2023. He says these were funded by savings, a loan from his personal bank (I'll call 'H') and loans from other providers. He also says he's since entered a debt management plan.

The scam was reported to Revolut in around August 2023. A complaint was later raised and referred to our Service. Our Investigator considered it and didn't uphold it.

In summary, she thought that, although there was enough about some of Mr P's payments for Revolut to have intervened, she wasn't persuaded an intervention would have unravelled the scam and prevented his losses. This was on the basis Mr P was under the scammer's 'spell' to the extent he was willing to mislead Revolut and H about what was really happening. She also concluded a chargeback was unlikely to have been successful, as there's no dispute Mr P received the cryptocurrency that was subsequently lost to the scam.

As the matter couldn't be resolved informally, it's 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.

Having done so, I've reached the same conclusions as the Investigator and for similar reasons.

In broad terms, the starting position at law is that an Electronic Money Institution ('EMI') such as Revolut is expected to process payments and withdrawals that a customer authorises it to make, in accordance with the Payment Services Regulations (the 2017 regulations) and the terms and conditions of the customer's account. It's not in dispute that Mr P authorised the transactions in question, so he's presumed liable for his losses in the first instance.

But that's not the end of the matter. 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 that, by April 2023, 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;
- have been mindful of (among other things) common scam scenarios, how the fraudulent practices are evolving (including for example the common use of multistage fraud by scammers, and the use of payments to cryptocurrency accounts as a step to defraud customers) and the different risks these can present to consumers, when deciding whether to intervene.

Prevention

I note the account was newly opened and so Revolut would have had limited information on which to assess a payment risk. But, like the Investigator, I think there was enough about some of the payments and the activity for Revolut to have intervened on suspicion that Mr P might be at a heightened risk of financial harm from fraud. I agree, for example, a payment on 8 April 2023 should have triggered a written warning, tailored to crypto-investment scams (more commonly affecting many customers at the time), considering its value and what Revolut ought to have known about the elevated risks associated with its destination.

I also think a proportionate response to the risk presented by some later payments, looking at the amounts and the spending patterns that had emerged, would have been for Revolut to have gone further than a written warning and questioned Mr P directly in an attempt to find out more about the surrounding circumstances (through, for example, its *in-app* chat).

Causation

That said, even if Revolut didn't intervene as early or as often as I'd have expected it to, it's still important to consider whether timely and appropriate interventions would have made a difference, such that I can fairly and reasonably hold it responsible for Mr P's losses – and, on balance, I'm not persuaded they would have.

I've thought carefully about Mr P's comments that Revolut's intervention came too late and was ineffective. But I can't ignore that when Revolut did step in, on 13 April 2023, to ask Mr P about what he was doing, he continued to send payments despite having been warned about returns that seemed 'too good to be true', that scammers use sophisticated tactics to convince customers into complex scams, and to carry out research. I'd also note that other warnings on some of the more common aspects of crypto-investment scams, such as finding an opportunity online or the use of remote access, are unlikely to have resonated here considering the information that's been provided about how the scam was conducted.

I also can't overlook that Mr P provided misleading responses to some key questions that were relevant to his situation at the time. For example, he responded "*no*" when asked if he'd been encouraged to invest by someone he didn't know. He replied "*there is no such person*" when asked if anyone was asking him to act quickly at risk of missing out on an investment opportunity. He said he'd conducted research and understood what he was investing in. And I can see that when he was asked if anyone had told him to open a Revolut account and to make transfers, he replied that he'd created the account himself and he was aware cryptocurrency is a risk. There was no mention of the involvement of another individual.

In reaching the view an intervention is unlikely to have been successful in unravelling the scam, I further note Mr P provided misleading information about what was really happening when questioned by H, from which some of the funds sent to the scam originated. Again, on 13 April 2023, he spoke to H's fraud team. He was asked about the purpose for his payment and he told H that he was sending funds to Revolut as it offered better rates for "*travel and holidays*". It's also evident from the messages Mr P exchanged with the scammer that he was unlikely to reveal the involvement of a third-party individual at the time – and that he reverted to them, and was willing to follow their instructions, when payment were blocked.

I'm again mindful that Revolut should probably have intervened on some payments later into the scam. But I'm not persuaded things would necessarily have played out very differently to how they had previously, considering what I've set out above and the evidence that when H did later intervene to question Mr P, on 24 April 2023, he was again untruthful in saying he was moving money to "*buy a car*". And while I realise Revolut would have had a different set of information on which to assess a possible scam risk, I'm still not persuaded, in view of the evidence and the extent to which he was seemingly under the scammer's 'spell', that Mr P wouldn't have found a way around the truth or another way to make the payments.

Recovery

In terms of recovery, all the payments from the Revolut account were made by card and I'm satisfied there was little Revolut could have done to recover those funds, as a chargeback is unlikely to have been successful given there's no dispute that the merchant (B) provided the cryptocurrency as intended before it was then sent and lost to the scam.

This isn't a decision I've made lightly. I'm sorry Mr P was the victim of such a cruel scam and about the financial and emotional impact the whole experience has had on him. But I can only direct Revolut to refund his losses if I'm satisfied any failings on its part made a material difference to what happened. On balance, for the reasons above, I'm not convinced they did.

My final decision

For the reasons I've given, I don't 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 13 May 2025.

Thomas Cardia
Ombudsman