

## The complaint

Mr C complains that Revolut Ltd didn't do enough to protect him from a scam.

Mr C is being represented by a claims management company, but for ease of reading, I'll refer to Mr C in my decision.

## What happened

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

In early January 2023 Mr C saw an advert on a gaming website by a merchant that mentioned an opportunity to earn extra income from investing. Mr C had been looking for ways to increase his income, so he reached out to the merchant. He was told he only needed a small investment at first and he could double his money in a short space of time. He spoke to a representative of the merchant and completed some research online which he was happy with. The representative told Mr C to download a screen sharing software so he could help him set up an account at genuine crypto exchanges. Mr C made some small payments towards the investment from an account he held with a bank – I'll refer to here as E. He then was told to open another account with Revolut. Mr C funded his Revolut account via bank transfers that he made from E. In total he made the following payments from his Revolut account;

Date	Type of payment	Amount
26 January 2023	Card payment to crypto exchange	£30
27 January 2023	Card payment to crypto exchange	£10,000
10 February 2023	Card payment to crypto exchange	£20,000
03 April 2023	Card payment to crypto exchange	£5,000
03 April 2023	Card payment to crypto exchange	£8,700
04 April 2023	Card payment to crypto exchange	£2,000
05 April 2023	Card payment to crypto exchange	£10,000
05 April 2023	Card payment to crypto exchange	£9,000
05 April 2023	Card payment to crypto exchange	£9,500
05 April 2023	Card payment to crypto exchange	£1,540
11 April 2023	Card payment to crypto exchange	£13,000
04 May 2023	Card payment to crypto exchange	£2,000
04 May 2023	Card payment to crypto exchange	£3,500
04 May 2023	Card payment to crypto exchange	£3,000
04 May 2023	Card payment to crypto exchange	£1,000
<b>Total loss</b>		<b>£98,270</b>

On 17 April 2023 Mr C was told by a friend's family member that there appeared to be a difference in the logo of the account he was using compared to the genuine crypto exchange. So, he contacted Revolut to say he had been scammed. A conversation took place in the in-app chat with Revolut asking for details of the payments being disputed and why Mr C had sent them. After being asked to attempt to raise a chargeback on the disputed

payments and to order a new debit card Mr C didn't respond to Revolut any further. He then made a further four payments from his Revolut account towards this scam on 04 May 2023.

Mr C then raised a scam claim in November 2023. Revolut reviewed the claim but said it wouldn't be offering Mr C a refund. Unhappy with this response Mr C brought his complaint to the Financial Ombudsman.

Our investigator didn't think the complaint should be upheld. She said that Mr C hadn't been honest with Revolut when it discussed why he was funding his account. Nor had he provided honest answers to E when it stopped the payments to Revolut. She said that although Revolut was made aware of the scam, she didn't think it could reasonably have stopped Mr C from making the payments because he had already raised a scam and spoken to the police. So, she didn't think Revolut stopping the payments and telling Mr C he was likely being scammed would've made a difference.

Mr C didn't agree and asked for an Ombudsman's review. He said that Revolut missed several opportunities to intervene and ask open ended questions. And that Revolut could make its warnings stand out more in the in-app chat. Mr C added that his conversations with E weren't relevant here as he truthfully said the money was being sent to his own account at Revolut. He added that after he reported the scam Revolut shouldn't have allowed any further payments to be made.

The complaint was passed to me. I said to both parties that I was minded to uphold it in part. I said that I didn't think there was anything else Revolut could've reasonably done to stop the scam payments that took place from January to April 2023. But I did think it could've done more to stop the payments Mr C made in May 2023. So, I said I was minded to ask Revolut to refund the payments Mr C made in May 2023 with a 50% reduction for Mr C contributing to his losses.

Mr C accepted my provisional findings.

Revolut didn't respond to the deadline I set.

### **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 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.

In broad terms, the starting position in law is that Revolut is expected to process payments that its customer authorises it to make. It isn't disputed that Mr C knowingly made the payments from his account – albeit under the direction of the scammer – 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 C's payments, and he 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 September 2023 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;
- have acted to avoid causing foreseeable harm to customers, for example by maintaining adequate systems to detect and prevent scams and by ensuring all aspects of its products, including the contractual terms, enabled it to do so;
- 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 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 starting point here is whether the instructions given by Mr C to Revolut (either individually or collectively) were unusual enough to have expected additional checks being carried out before the payments were processed. Further to that, where there is an interaction between a customer and Revolut before a high value payment is processed, as there was here via Revolut's chat function, I'd expect Revolut to take reasonable steps to understand the circumstances of that payment.

*Should Revolut have done more to stop the payments and what difference would it have made?*

On 4 April 2023 Revolut stopped and spoke to Mr C about the payment he was trying to make and it asked him the following;

*"Is there anyone pressuring you to act quickly at risk of missing out on an investment opportunity?"*

And Mr C told Revolut;

*"No, I'm doing everything by myself, it's a personal investment".*

He was then given a warning that scammers will try to convince him that he would miss out on an opportunity if the money wasn't sent quickly and that he should ignore any requests from individuals quickly. He was then asked if he was;

*"...promised returns which possibly seem too good to be true, such as doubling your investment in a month or receiving a guaranteed return?"*

Mr C responded with the following;

*"Listen Mohammed, it's a private investment that I'm making with my account with \*My binance, I know exactly what I'm doing, I thank you for the extra layers of protection but those are my accounts and I know what I'm doing with all the respect"*

Mr C has said to this service that he was on the phone to the scammer twice a week sometimes for over an hour talking about the investments and agreeing to invest more in order to obtain more profits. So, I think Revolut's warning should've stuck with Mr C more in the circumstances.

Mr C was then asked again if he could provide more information in relation to this particular investment and if anyone was pressuring him. Mr C again said;

*“No, nobody pressuring me, I’m making it myself with my own due diligence.”*

He then denied that he had been contacted or encouraged to invest by someone he didn’t know or had only met recently online.

I agree with Mr C that Revolut could’ve stopped more payments here and it could’ve asked more probing questions when it did speak to him. But I don’t think it would’ve more than likely made a difference here. The chats show that Mr C wasn’t willing to be honest with Revolut. And I note he failed to provide honest answers to E when it asked him why he was moving money to Revolut. The reason he gave to E for opening and sending money to the Revolut account was that he was interested in the cash back on purchases offered by Revolut, which wasn’t the correct reason for opening the account. He also incorrectly confirmed he had opened the Revolut account himself when he’s later said he was being assisted by the scammer via a screen sharing application.

I don’t have full copies of the chats between Mr C and the scammer, but from the evidence he has provided it’s clear he was under the influence of the scammer and that any questioning from Revolut appeared to irritate him even when he was warned about scammers applying pressure and offering too good to be true returns.

Mr C has told this service that he has no recollection of why he continued to send more money to the scammers after telling Revolut that he had been scammed. In his original submission to this service, he has said that he was completely under the spell of the scammer at the time the payments were being sent from his Revolut account and that he was being assisted via the screen sharing software on how to make the payments from the account to the crypto exchange and then to the scammer. As there’s no clear explanation as to why payments were still made to the scammers after Mr C had reported the issue to the police, I can only make a finding on what I think most likely happened here.

As a result of the above, I’m satisfied that the most likely explanation is that Mr C had further contact with the scammer who most likely told Mr C to follow the exact same process in funding the Revolut account before moving that to the crypto exchange and to the scammer in the hope that this would enable Mr C access to the ‘profits’ he had been promised.

Revolut should’ve been on alert that Mr C had been scammed previously (even though Mr C didn’t provide more information that was requested by Revolut when he initially reported the scam). I’d expect it to have stopped any further payments to the same beneficiary and ask Mr C why he was making those payments.

At that point, I’m satisfied that given Revolut would’ve more likely than not detected any screen sharing software, noticed a large payment funding the account before being sent to a high-risk crypto exchange, and most importantly been reasonably aware Mr C had recently been scammed, it should’ve been on alert to try and stop Mr C from sending any further money to the same or different scammers. It’s well known that scammers will return to victims in the hope of either persuading them with the same cover story or using a different one (such as pretending to be a company that can recover scammed funds) to send more money. That’s what’s most likely happened here.

As I’ve said above, if there’s sufficient evidence to show that Mr C is likely being scammed (as there was here when he made the four payments in May 2023) it can be appropriate for Revolut to refuse to follow Mr C’s instructions. And I’m satisfied there was enough

happening here for Revolut to have refused to make any further payments to the crypto exchange at that point in time.

So, Revolut should refund the last four payments Mr C made towards this scam subject to any deduction for Mr C contributing to his losses.

*Did Mr C act reasonably here?*

Mr C hasn't given a clear explanation as to why he decided to send further money in May 2023. As a result, I don't think I can say he acted reasonably when making the four payments at the end of the scam. He had raised with Revolut that he had fallen victim to a scam and should've been on notice himself of how scammers can manipulate people into sending their money under false pretences. I accept it's more likely than not he was attempting to recover 'profits' but I don't think he reasonably continued to make those payments. So, I'm satisfied Revolut can reduce his award by 50% here.

*Chargeback*

The chargeback process is relevant here. A chargeback is the process by which payment settlement disputes are resolved between card issuers and merchants, under the relevant scheme rules. What this means is that Revolut can, in certain circumstances, ask for a payment Mr C made to be refunded. But there is no obligation for a card issuer to process a chargeback when a consumer asks for one. But we would consider it good practice for a chargeback to be attempted where the rights exist and there is some prospect of success.

But here a chargeback wouldn't have been successful for the payments to the legitimate cryptocurrency exchanges, as the money Mr C sent was used to purchase the cryptocurrency as per his intention. So, Mr C duly received the service he paid for on his debit card. The money was subsequently lost from the crypto platform when the funds were transferred to the scammer. So, he couldn't claim that he didn't receive the goods or services paid for from his Revolut account, which was the purchase of the cryptocurrency.

Having carefully considered this complaint, I'm acutely aware of the significant impact this whole situation has had on Mr C. And I'm of course very sorry to hear that he has lost such a significant amount of money. But I'm afraid I don't think Revolut are responsible for all of his losses here.

### **My final decision**

For the reasons outlined above, my final decision is that I uphold this complaint in part. Revolut Ltd should do the following;

- Refund £4,750.
- Add 8% simple interest per year to that amount from the date of the payments to the date of settlement.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 12 June 2025.

Mark Dobson  
**Ombudsman**