

The complaint

Miss M complains that Revolut Ltd won't refund her after she lost money in an investment scam.

Miss M is being represented by a professional representative, but for ease of reading I'll refer to Miss M only.

What happened

The circumstances surrounding this complaint are well known to both parties, so I've summarised what I consider to be the key points.

Miss M says she saw an advert on a social media website that was promoting an investment. She left her contact details and says she was contacted by telephone and provided with further details. She made an initial investment of £250 and was then advised to invest more, which she did. Eventually, contact ceased and she has been unable to withdraw her investment.

Miss M says she made two payments from her Revolut account as part of this scam:

Date	Amount	Payment type
28/08/2023	£1,799.00	Card payment to own cryptocurrency account
29/08/2023	£2,998.00	Card payment to own cryptocurrency account

Miss M complains that the transactions were out of character for her account and Revolut should have intervened with additional checks before allowing the payments to go through.

Revolut says Miss M's account was opened on 24 August 2023, a few days before these transactions, so there was no particular account history by which to determine whether these payments were unusual. The account opening purpose was given as "vaults". The transactions were authorised by Miss M and didn't trigger any fraud alerts. It considers Miss M didn't exercise due diligence before investing, for example by not doing enough to research the investment company.

Our investigator considered Miss M's complaint, but she didn't uphold it. She didn't think the transactions were sufficiently large, frequent or unusual that they ought to have concerned Revolut to the point that it should have intervened. She didn't think there were sufficient grounds for it to have suspected Miss M was at risk of financial harm.

Miss M didn't agree and so the complaint has been passed to me for a decision. In particular, she says the two payments were for significant amounts.

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.

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 (in this case the 2017 regulations) and the terms and conditions of the customer’s account.

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 August 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 – (as in practice Revolut sometimes does including in relation to card payments);
- 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.

Having considered everything, I’m not persuaded that Miss M’s complaint should be upheld.

I agree that the account was newly opened and so it would have been difficult for Revolut to determine whether the payments were out of character. But I would still have expected Revolut to have systems in place to detect transactions that matched known fraud patterns or otherwise indicated that its customer was at risk of harm.

On balance though, I don’t consider the transactions ought to have caused Revolut sufficient concern that it should have intervened. There were only two transactions that Miss M has complained about and while they took place on consecutive days, I don’t consider a clear pattern had emerged by the time of either transaction. The transactions were not so large that I consider they ought to have prompted intervention for that reason alone. I’ve borne in mind that Revolut has a duty to execute transactions without undue delay and a balance has to be struck. While I appreciate Miss M considers the payments were of significant value, e-money accounts and EMIs are generally used differently to high street banks and it is not unusual for transactions of this size to be made.

The payments were to cryptocurrency platforms, but considering the two transactions overall, including such factors as payment destination, size and frequency, I find they were not sufficiently concerning that they ought to have triggered intervention from Revolut.

Recovery

Revolut says it was unable to successfully chargeback these transactions because the card scheme rules didn’t allow for it in the particular circumstances of Miss M’s case. In this case it seems Miss M used her card to make a payment from her Revolut account to her own

digital wallet with a legitimate cryptocurrency platform. It was from her wallet held with the cryptocurrency platform that she made a transfer to the scammer. My understanding of the relevant card scheme rules is that where the funds have successfully credited a digital wallet, there won't be chargeback rights. In the circumstances, I'm satisfied Revolut wasn't able to recover Miss M's money.

While I understand Miss M has been the victim of a cruel scam and she didn't intend to make payments to scammers, for the reasons set out above, I'm not persuaded that Revolut was at fault for not intervening to block these payments.

My final decision

I don't uphold Miss M's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss M to accept or reject my decision before 11 June 2025.

Greg Barham
Ombudsman