

The complaint

Mrs P complains Revolut Ltd didn't do enough to protect her when she lost money to an investment scam.

In bringing this complaint Mrs P is being represented by a claims management company, I'll refer to as "R".

What happened

Mrs P said she heard about an investment opportunity (which I'll refer to as "B") on a TV chat show, which appeared to be endorsed by a well-known celebrity. Unfortunately, Mrs P didn't know the advert was a fake and B turned out to be a scam.

Mrs P said she researched B online and submitted an enquiry with her contact details. Soon after, she was contacted by someone (the scammer) via a messaging app. Mrs P was in regular contact with the scammer and developed a close personal relationship. She was also guided by this individual on how to trade. On 9 January 2023, Mrs P signed up to a Guaranteed Investment Contract, which promised minimum monthly returns of 15% returns on a £120,000 investment.

As part of the scam, Mrs P was encouraged to transfer funds from an existing bank account into her Revolut account, and from there to purchase crypto from two legitimate crypto exchanges. Mrs P was also persuaded to take out a number of personal loans to finance the investment. Mrs P made the following payments to the crypto exchange from her Revolut account as part of the scam:

Date	Amount	Payment method
7 December 2022	£2,000	Transfer
11 January 2023	£20,000	Card payment
12 January 2023	£5,000	Card payment
15 January 2023	£34,600	Card payment
19 January 2023	£20,000	Card payment
21 January 2023	£40,000	Card payment
Total	£121,600	

Mrs P said she realised she'd been scammed when B started making risky trades which led to significant losses on her trading account.

R complained to Revolut, on Mrs P's behalf, that it hadn't done enough to protect her from

financial loss due to the scam. While it recognised Revolut had intervened when Mrs P made her £20,000 payment, it did not think the intervention went far enough because it failed to ask open probing questions, which it said would have uncovered the scam and prevented Mrs P's losses. Revolut said it was not responsible for Mrs P's loss, as it could find no traces of fraudulent activity on her account.

Mrs P remained unhappy and referred her complaint to the Financial Ombudsman. Our Investigator didn't uphold the complaint. While she considered Revolut ought to have done more to intervene before processing Mrs P's payments, she was not persuaded proportionate intervention from Revolut would ultimately have prevented Mrs P's loss. She noted that Mrs P had provided inaccurate information to both Revolut and a third-party bank when she was asked questions about her payments. Our Investigator didn't think additional intervention from Revolut would have uncovered the scam or prevented Mrs P's loss.

R disagreed. It considered both Revolut and the third-party bank had failed to ask sufficiently probing questions to Mrs P. While it noted Mrs P had provided inaccurate information to her bank, it said Revolut was in a fundamentally different position to uncover the scam as it knew the funds were going to a crypto exchange, and therefore the cover story Mrs P gave to her bank would not have held up to a reasonable degree of scrutiny. It said Revolut should also have been on the lookout for the possibility of romance scams and asked open probing questions that were likely to break the spell cast by a sophisticated scammer.

As there has been no agreement, the case has 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.

I'm sorry Mrs P has been the victim of a cruel and sophisticated scam. But while I appreciate this has had a significant impact on her, I must consider whether Revolut is responsible for the loss she's suffered. Having done so, and while I realise this isn't the outcome Mrs P is hoping for, for similar reasons as our Investigator, I don't think they are. Because of this, I don't think Revolut acted unfairly by not refunding the payments she made. I'll explain why.

Should Revolut have recognised Mrs P was at risk of financial harm from fraud?

In broad terms, the starting position at law is that an EMI, such as Revolut, is expected to process payments and withdrawals that a customer authorises it to make, in accordance with the Payment Service Regulations (in this case the 2017 regulations) (PSRs) 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 December 2022 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 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 crypto accounts as a step to defraud consumers) and the different risks these can present to consumers, when deciding whether to intervene.

It is accepted that Mrs P authorised the scam payments from her Revolut account. So, although she didn't intend the money to go to the scammers, under the PSRs 2017 and the terms and conditions of her account, Mrs P is presumed liable for her loss in the first instance. And under the terms and conditions of the account, where a valid payment instruction has been received, Revolut's obligation is to follow the instructions Mrs P provides.

But it is also evident that Revolut recognised Mrs P was at a heightened risk of financial harm from fraud. When Mrs P instructed her initial £2,000 payment, Revolut held the payment and presented Mrs P with multi-choice questions that were designed to better understand her payment purpose. Mrs P selected that her payment related to "*something else*", she was then presented with a generic scam warning. Revolut intervened again when Mrs P instructed her £20,000 card payment. On this occasion it restricted her account and initiated an in-app chat with Mrs P. It then asked Mrs P a series of questions about her proposed payment, before removing the account restrictions and processing the payment.

Given the value and destination of Mrs P's £20,000 payment, I agree with R that Revolut's intervention ought to have gone further than it did. While Revolut had asked Mrs P some questions that sought to identify a potential scam risk - for example whether she had downloaded any screen sharing applications and why she was looking to make the payments - it failed to probe on the answers given, to understand the true purpose of her payments. For example, having asked Mrs P what the nature of her payment was, it accepted her answer "*Easy bank transfer*" without further clarification. Similarly, when it asked about the nature and purpose of the account, it accepted her answer "*make investment, move money abroad, shop online*" without further clarification. I would have expected Revolut to have asked further questions about Mrs P's proposed investment – for example where she heard of it, what research she had conducted and whether anyone was advising or guiding her.

But even if Revolut had asked Mrs P further probing questions as I would have expected it to, I'm not persuaded it would most likely have prevented her loss. I'll explain why.

Would proportionate intervention from Revolut have identified the scam and prevented Mrs P's loss?

It's impossible to know with any certainty how Mrs P would have responded had Revolut asked further probing questions, as I'd have expected it to. I've therefore considered the overall circumstances of what happened - including what I know about Mrs P's interactions with the scammer and her bank – to reach a conclusion on what I think would most likely have happened had she been asked the relevant questions.

R considers that further questioning would have inevitably led to the scam being uncovered and Mrs P's loss being prevented. But I don't agree that is supported by the available evidence.

Having reviewed the conversations Mrs P had with the scammer, it is evident that they had developed a very close and trusting relationship that appeared to go beyond a professional acquaintance and was more akin to a friendship or romance. And by the time Mrs P made her £20,000 payment she had been in near daily contact with the scammer for more than two months and was actively involved in trading on her account. There is also evidence that when Revolut did intervene and asked questions, Mrs P was sharing those questions with the scammer. He then replied quoting the answers she should provide, and Mrs P gave these answers to Revolut.

We have also been provided with evidence of Mrs P's interactions with her bank, when she was seeking to transfer funds from her bank account into her Revolut account, before transferring it on to the scam. When Mrs P was asked about the reasons for her transfers, as part of an automated process, she selected *"Buying Goods and Services"* and *"Paying a Bill"*, even though *"Making Investments"* was an available option. During later phone conversations, Mrs D went further and provided a fabricated story to explain the reason for her transfers. She explained that she was purchasing tiles from Italy as part of major home renovations, which she offered to send photos of.

I agree with R that Revolut had more information than Mrs P's bank, as it knew her payments were going to a crypto exchange, and so Mrs P would not have been able to rely on the same cover story as she used with her bank (i.e. that she was paying for materials as part of her home renovations). But I'm unable to reasonably conclude that Mrs P would more likely than not have answered Revolut's questions openly and honestly, particularly given the level of detail she was prepared to provide to her bank – who she had a longstanding relationship with – to support her false narrative.

While Revolut recognised there was a heightened risk of financial harm, it was to some extent reliant on the information Mrs P provided to understand the actual risk she faced. As a result, even if Revolut had intervened in the way I would have expected it to, I'm not persuaded it would have led to the scam being uncovered.

I think Mrs P would most likely have provided Revolut with answers that would have disguised the true purpose and intent of the payments – for example, even if she had revealed that she was investing in crypto I'm not persuaded she would have revealed that she was being guided by a third party. Based on Mrs P's earlier actions, I think it's reasonable to assume that Mrs P is likely to have shared any further questions Revolut asked with the scammer and been guided by him on what to say. I think it's also reasonable to assume the scammer would have advised Mrs P not to disclose his involvement. Given what I've seen regarding the closeness of their relationship, and the answers Mrs P had already given, I think it's most likely Mrs P would have followed any instructions she was given.

But even if Revolut had provided Mrs P with a more detailed scam warning, regardless of her answers, I'm not persuaded it would have dissuaded her from continuing to make the payments. I note that Mrs P was warned by both her bank and Revolut about a number of scam risks, including some of the red flags that were present in the scam she was falling victim to.

For example, when making transfers from her bank to Revolut on 9 January 2023, Mrs P selected *"Buying Goods and Services"* and *"Paying a Bill"* as reasons for her transactions. She was then presented with on-screen warnings. While these warnings were intended to be targeted to the risks associated with Mrs P's stated payment reasons, some of the warnings should still have resonated with her. For example, both warnings started with the statement:

"Caution – this could be a scam"

WARNING – if someone has told you to mislead us about the reason for your payment and/or choose the wrong payment type, **stop, this is a scam.**

Fraudsters may advertise products, goods or services on social media or other marketplaces. In some cases, they even set up and use legitimate-looking websites.”

Despite this Mrs P was dishonest about her payment reason. It's unclear if Mrs P provided inaccurate payment reasons on the advice of the scammer – although I am not discounting this as a possibility as I recognise Mrs P was in regular phone contact. But either way, it demonstrates a willingness to provide inaccurate answers and to disregard scam warnings.

When Revolut intervened on 10 January 2023 it asked Mrs P if anyone was helping with her investments. It explained that it was asking questions *“to make sure the funds are safe. Scammers are using increasingly sophisticated techniques to gather personal information and convince customers to transfer funds in complex scams. They can pretend to be a financial institution [...] an exciting investment opportunity”*. In response to this Mrs P answered, *“No. Nobody is helping me. I am not keen to share my finances with anyone.”*

While not as detailed as they could have been, I consider these warnings ought to have resonated with Mrs P given what was happening, and yet I have seen nothing to show that Mrs P took any notice of these warnings or took any further steps to check whether B was legitimate. I'm also mindful that Mrs P appeared to place unwavering trust in the scammer due to the closeness of their relationship. As such, I'm not persuaded that either further probing questions or more detailed scam warnings would have uncovered the scam or ultimately prevented Mrs P's loss.

Could Revolut have done more to recover Mrs P's losses

I've considered whether, on being alerted to the scam, Revolut could reasonably have done anything more to recover Mrs P's losses, but I don't think they could. The money transferred to the crypto exchange was, as I understand, forwarded on to the scam platform – and so Revolut couldn't have recovered it. But if any funds did remain, then Mrs P could've withdrawn it herself. And the only option for recovery for the debit card payments would've been for Revolut to have attempted a chargeback against the payee – that being another crypto exchange. But given the payment was for the purchasing of crypto with a legitimate firm, I don't think a chargeback claim would have been successful as Mrs P received the service she paid for.

In conclusion, I have a great deal of sympathy with Mrs P being the victim of what was clearly a cruel scam. But it would only be fair for me to direct Revolut to refund her losses if I thought it was responsible for them. For the reasons I have explained above, I'm not persuaded it could have prevented Mrs P's loss and so I don't find it responsible for it.

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 Mrs P to accept or reject my decision before 12 June 2025.

Lisa De Noronha
Ombudsman