

The complaint

Mr S has complained that Revolut Ltd (“Revolut”) failed to protect him from falling victim to cryptocurrency-related investment scam, and hasn’t refunded what he lost.

What happened

The background of this complaint is already known to both parties, so I won’t repeat all of it here. But I’ll summarise the key points and then focus on explaining the reason for my decision.

Mr S has used a professional representative to refer his complaint to this service. For the purposes of my decision, I’ll refer directly to Mr S, but I’d like to reassure Mr S and his representative that I’ve considered everything both parties have said.

Mr S has explained that around October 2023 he saw an advert on social media for the opportunity to take part in an investment opportunity. He’s explained that the advert used a fraudulent celebrity endorsement to make it appear legitimate, but part-way through the scam it was added to the Financial Conduct Authority’s scam warning list.

Mr S says that before deciding to invest he searched online, as well as a well-known review site, to understand more about the company he was considering investing in. He didn’t find anything that concerned him, and he’s also explained the company itself had a professional-looking website which added to the illusion that it was legitimate. He was also in contact with an individual (“the scammer”) claiming to be an investment broker, who guided him using a messaging app on how to complete the alleged investments. Mr S also says he was asked to download remote access software so that the scammer could help him to set up his accounts, and his Revolut account was in fact opened as part of the scam.

In order to fund the alleged investment Mr S firstly made payments from an account elsewhere to his Revolut account. He then made payments to a cryptocurrency exchange from his Revolut account to his own cryptocurrency wallet, and following this, sent the cryptocurrency on to wallets directed by the scammers under the impression he was funding his investment.

The payments relevant to Mr S’s complaint are as follows:

	Date	Amount
1	20/10/2023	£900
2	30/10/2023	£9,950
3	17/11/2023	£8,000
	Total	£18,850

Mr S says he realised he’d been scammed when he was unable to withdraw from his investment account.

Mr S has complained that Revolut failed to intervene before he made the payments, and he says Revolut ought to have done that from payment two. He says that if it had done so, it would've uncovered many features that are common to investment scams, such as the fact that he was introduced to it through social media, and that the advert included a [fraudulent] celebrity endorsement, and that Mr S appeared to be receiving financial advice from an unregulated broker.

Mr S made a complaint to Revolut. Revolut didn't uphold the complaint and in its response it noted that it gave Mr S a warning before he made each payment. It also said that it put the payments on hold and asked Mr S to speak to one of its agents to discuss the payments further before they were released. It noted that Mr S confirmed he still wanted to go ahead with the payments, despite the warnings he was given during those conversations.

Mr S remained unhappy so he referred the complaint to this service.

Our investigator considered everything and didn't think the complaint should be upheld. He explained that he thought the steps that Revolut took to intervene were proportionate, but Mr S didn't give Revolut entirely accurate information – and he also confirmed he still wanted to make the payments after Revolut had given him several warnings.

As Mr S didn't accept the investigator's opinion, the case has been passed to me to make a decision.

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 to disappoint Mr S but having considered everything I'm afraid I'm not upholding his complaint, broadly for the same reasons as our investigator, which I've set out below.

In broad terms, the starting position is that a firm is expected to process payments and withdrawals that its customer authorises, in accordance with the Payment Services Regulations and the terms and conditions of the customer's account. And in this case it's not in question whether Mr S authorised these payments from leaving his account. It's accepted by all parties that Mr S gave the instructions to Revolut and Revolut made the payments in line with those instructions, and in line with the terms and conditions of Mr S's account.

But that doesn't always mean that the business should follow every instruction without asking further questions or intervening to ensure requests coming from their customers are firstly genuine, and secondly won't result in harm.

Should Revolut have intervened, and if so, how?

Mr S's Revolut account was new at the time of the scam, so I haven't been able to review his past activity to establish his normal usage. So I've gone on to consider what risk, if any, Revolut ought to have identified from the payments themselves, taking into account factors such as the values, the pattern, and the payee.

Having done so I'm persuaded that Revolut ought to have intervened at the point Mr S made the second payment. The value of that payment was significant and it was being made to an identifiable cryptocurrency provider. Whilst I'm not suggesting that Revolut ought to treat all cryptocurrency-related transactions as scam-related, I would've expected it to identify that the payment carried a higher risk of being fraudulent, given the many warnings that have been issued by the regulator since 2018.

Given the characteristics of payment two it would've been proportionate for Revolut to use a human intervention to understand more about the payment, with a view to asking relevant questions and providing specific warnings and guidance based on the information it received.

How did Revolut intervene and was it proportionate?

For all three of the payments Revolut asked Mr S for the purpose and Mr S told it he was making the payment "as part of an investment". He was then asked "What kind of investment" and he responded "Gains from cryptocurrency". Mr S was then asked if he'd been asked to install software (to which he answered no), how he discovered the opportunity (to which he said he'd discovered it through a friend or family member), whether he'd ever invested in cryptocurrency before (to which he answered yes), and whether he'd researched the company (to which he said he'd checked the firm is on the FCA Register).

After answering Revolut's questions Mr S was then shown a series of warning screens which he was required to pass through in order to confirm he still wanted to make the payments. The first screen warned him against cryptocurrency investment scams. The second warned him about fraudsters advertising fake investment opportunities on social media, and the third warned him not to install software to allow anyone else to view his screen. He was then told to do his research on cryptocurrency as most cryptocurrency platforms are unregulated, and he was finally told to take his time and speak to family and friends before investing.

Following the warning screens for payments one and two Mr S was asked to go to Revolut's chat facility to discuss the payments further. I've carefully reviewed each chat to understand how Revolut interacted with Mr S, as well as the information Mr S gave it.

For the first payment Revolut expressed concern that there was a "high chance your money might be at risk if you make this transfer". In response to this Mr S sent a message saying "Hi I appreciate your concerns and safety measures. I am purchasing cryptocurrencies in a FCA regulated exchange. Please continue and confirm my transfer, I am aware of all the risks involved with purchasing cryptocurrencies".

Revolut then sent him a message warning against being told to ignore scam warnings, and being guided through making a payment by another person. It then said "Our fraud detection systems show that there's a strong chance that this investment is a scam. That means that if you make this transfer, the most likely outcome is that you'll lose your money permanently. Do you still want to proceed?" and Mr S confirmed he wanted to proceed, and the payment was released.

During the second chat with Mr S Revolut firstly asked Mr S to confirm his identity by submitting a selfie to it – which Mr S did. It then asked several questions, including whether Mr S had been asked to open his Revolut account as part of an investment opportunity advertised on social media, whether he'd been asked to download remote access software, and whether he was buying cryptocurrency. Mr S confirmed he hadn't downloaded remote access software and that he hadn't been asked to open his Revolut account after seeing an advert on social media. He also said "yes, I'm purchasing crypto in a FCA regulated exchange as mentioned previously".

Revolut then asked some follow-up questions specifically in relation to cryptocurrency, such as where Mr S was purchasing the cryptocurrency from, whether he had access to the account, and how he decided which platform to use and where he learnt about it. In response he gave the name of the legitimate cryptocurrency exchange he was using,

confirmed he had access to the account, and told Revolut he found out about the cryptocurrency platform by searching the internet for “FCA platforms”.

Revolut then asked Mr S why he’d opened a Revolut account. Mr S said it was to use Revolut’s features and as it provided services that other banks don’t provide, which in response Revolut clarified whether Mr S was referring to being able to make transfers to the cryptocurrency platform. It also asked Mr S to provide copies of several documents, namely statements from the account he made the payments to Revolut from, and also from the “profile” section of his cryptocurrency account to show he owned and was in control of it.

Mr S provided the documents requested and Revolut then highlighted what it described as several “red flags” for Mr S to be aware of – including being unable to access the funds held in the investment platform, being asked to pay fees to withdraw, being asked to open a cryptocurrency investment account, and being asked to provide personal information such as an identification document. Mr S confirmed that none of the points applied to the scenario he found himself in.

Finally, Revolut gave Mr S another scam warning, letting him know that if he continued the payment it might not be able to recover his money if he loses it as part of a scam. It then asked him to copy and paste a message stating “Revolut has warned me about the scam risks, and in the event that such utilisation leads to a scam, recovering my funds may be unlikely” if he agreed – which he did. The payment was then released.

Having considered this extensive chat I’m satisfied that it was proportionate; Revolut demonstrated robust questioning and gave Mr S several warnings, including specific red flags to help him identify signs of the scam it believed he was falling victim to, as well as opportunities to share information about the payments, although he chose not to.

I haven’t seen that Revolut directed Mr S to chat with it before payment three was released, after it showed him the series of warning screens. And although I think a human intervention would’ve also been proportionate here, I don’t think it would’ve made a difference in this case.

I say this because the information Mr S gave to Revolut during the first and second interventions appears to have contained several pieces of inaccurate information, compared with the complaint he has now raised. For example, he told Revolut that the investment was recommended by a friend or a family member (as opposed to found on social media) and he’d done his research on the company he was investing in, as well as the cryptocurrency platform he was using. He also told Revolut he hadn’t been asked to install remote access software – although he said in his complaint he was asked to do this and his Revolut account was set up in this way.

Whilst I accept there’s a chance Mr S was being coached by the scammer on how to answer Revolut’s questions, all of the answers he gave in the chats were clearly with the intention of raising as little suspicion as possible, to allow the payments to be made without further friction or intervention by Revolut. So whilst I’m not blaming Mr S for unfortunately falling victim to the scam, I do need to keep in mind how he’d likely have reacted if Revolut had also intervened for payment three. And having carefully considered that, I’ve seen nothing to suggest that Mr S would’ve reacted differently if he’d been asked to chat with Revolut again, so I don’t think the scam would’ve been prevented at that stage – no matter what Revolut had done or asked.

Bearing in mind the facts of Mr S’s case I’m persuaded that Revolut’s interventions were proportionate to the risks presented by the payments seen throughout the scam Mr S was falling victim to. The examples Revolut highlighted both in the automated warnings and

during the chats closely resembled what was happening to him and as such, I think Revolut met its obligation to protect him from financial harm. As I've said, I do note that many of the answers Mr S gave to Revolut when it questioned him were different to the points he later raised in his complaint, but Revolut was entitled to rely on the information Mr S provided at the time of the interventions – so I haven't concluded that Revolut is responsible for the interventions being unsuccessful .

I've seen Mr S's representative's comments in response to the investigator's opinion; in summary it says that Revolut ought to have conducted interventions, and not simply provided a generic written warning. But for the reasons I've explained, and bearing in mind the evidence of the interventions that has already been provided to Mr S's representative by the investigator, I'm still persuaded that Revolut intervened proportionately in this case, albeit unsuccessfully.

Recovery of the funds

Revolut contacted the beneficiary bank when it was made aware of the scam, but it was told no funds remained so it wasn't able to recover anything.

Mr S made the payments to his account at a cryptocurrency platform, and he exchanged the funds into cryptocurrency once they were received. This means he'd spent the funds, so recovery of them wasn't an option. With this in mind, there's nothing more I'd have expected Revolut to do in respect of recovery.

I'm very sorry that Mr S has fallen victim to this scam and I do understand that my decision will be disappointing. But for the reasons I've set out above, I don't hold Revolut responsible for that.

My final decision

I don't uphold Mr S's complaint against Revolut Ltd.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 28 March 2025.

Sam Wade
Ombudsman