

The complaint

Ms G is complaining about Revolut Ltd because it declined to refund money she lost as a result of fraud.

What happened

Sadly, Ms G fell victim to a cruel investment scam. After responding to an advert she saw on social media offering attractive returns that appeared to be endorsed by well-known celebrities, Ms G was contacted by the scammer. She was told to download screen-sharing software so the scammer could assist with setting up an account on a fake trading platform that appeared to show trades being carried out and profits generated on her behalf.

On the scammer's advice, Ms G opened an account with Revolut in October 2023 and made the following transfers from the account that were lost to the scam:

No.	Date	Payee	Amount £
1	6 Nov	Cryptocurrency exchange	9,980
2	7 Nov	Cryptocurrency exchange	3,500
3	14 Nov	Individual account	11,000

The first two payment were transferred to a known cryptocurrency exchange, from where the money was moved on to the scammer. The third payment went to the account of a named individual. Ms G says she thought payment 3 was a fee that would help her to withdraw her profits from the investment and realised this was a scam when that didn't happen.

Our investigator didn't recommend the complaint be upheld. She didn't think any further intervention from Revolut would have stopped Ms G continuing with the payments, noting she didn't provide accurate information when asked about the purpose of the payments she was making.

Ms G didn't accept the investigator's assessment. Her representative has argued that a stronger intervention by Revolut before processing the payments was warranted as they were going to cryptocurrency and should have been identified as high-risk, and that the warnings it did provide weren't effective as they weren't relevant to Ms G's situation. Also, her representative referred to Revolut's responsibility under the Consumer Duty to avoid causing foreseeable harm to consumers.

The complaint has now been referred to me for review.

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 overall conclusions as the investigator, and for broadly the same reasons. I haven't necessarily commented on every single point raised but concentrated instead on the issues I believe are central to the outcome of the complaint.

This is consistent with our established role as an informal alternative to the courts. In considering this complaint I've had regard to the relevant law and regulations; any regulator's rules, guidance and standards, codes of practice, and what I consider was good industry practice at the time.

In broad terms, the starting position at law is that an Electronic Money Institution (EMI) such as Revolut is expected to process payments a customer authorises it to make, in accordance with the Payment Services Regulations and the terms and conditions of their account. In this context, '*authorised*' essentially means the customer gave the business an instruction to make a payment from their account. In other words, they knew that money was leaving their account, irrespective of where that money actually went.

In this case, there's no dispute that Ms G authorised the above payments.

There are, however, some situations where we believe a business, taking into account relevant rules, codes and best practice standards, shouldn't have taken its customer's authorisation instruction at 'face value' – or should have looked at the wider circumstances surrounding the transaction before making the payment.

Revolut also has a duty to exercise reasonable skill and care, pay due regard to the interests of its customers and to follow good industry practice to keep customers' accounts safe. This includes identifying vulnerable consumers who may be particularly susceptible to scams and looking out for payments which might indicate the consumer is at risk of financial harm.

Taking these things into account, I need to decide whether Revolut acted fairly and reasonably in its dealings with Ms G.

Payment 1

One of the key features of a Revolut account is that it facilitates payments that sometimes involve large amounts, transfers to overseas accounts or the purchase of cryptocurrency and I must take into account that many similar payment instructions it receives will be entirely legitimate. I also need to consider Revolut's responsibility to make payments promptly.

I'm also conscious this was a new account and there was no history of past activity against which these payments might have looked suspicious. But having considered what Revolut did know about the payment 1 at the time it received Ms G's instruction, I think it ought to have been concerned that she may be at risk of harm from fraud. The payment was for a significant amount and was going to a known cryptocurrency exchange, a type of payment it should have known was associated with a higher risk of fraud.

Revolut has told us that this risk was identified and triggered an intervention before the payment was processed. Initially it says it asked Ms G to confirm she knew and trusted the payee, after which she was shown a warning saying there was a high risk this was a scam. I understand Ms G was then asked to complete a questionnaire before being directed to an online chat with a Revolut agent and shown further tailored warnings.

Revolut has provided a list of the questions it asked Ms G and the answers she gave. The questionnaire contained some key warnings, including that scammers might ask her to hide the real reason for the payment, to which she said she understood. She was also asked if she'd been told to download screen-sharing software to help set up an investment account, which she said hadn't happened.

In addition, Ms G was asked about the reason for the payment and from a list of options that included '*as part of an investment*'. Instead she said it was a '*transfer to my other account*'

and that this was a checking/savings account. Our investigator did ask why Ms G answered in this way rather than confirming she was investing and her representative said she was coached by the scammer to hide the purpose of the payment as banks don't like cryptocurrency.

Ms G was then routed to an online chat with a Revolut agent, who warned her the payment was on hold to protect her from a potential scam. Presumably because she'd said she was moving money to her other account, the agent then asked if Ms G had received a call to say her money was at risk and she should move it. When she said this hadn't happened, the call ended and Ms G was shown a series of tailored warnings relating to safe account scams.

The effectiveness of any intervention in the payment process does depend to some degree on the information provided by the consumer. In this case, Ms G provided inaccurate information about the reason for the payment and this meant Revolut showed her scam warnings that didn't apply to her situation. If she'd said she was investing, it's likely she'd have been shown a different series of warnings that were more applicable and might have resonated.

This notwithstanding, I think the fact Ms G had said she was moving money to a checking/savings account should have raised concern and prompted further questioning from the agent as this isn't the type of account typically offered by cryptocurrency exchanges.

I've thought carefully about what might have happened if Revolut's agent had asked further questions of Ms G but I'm not convinced this would have prompted her to say she was investing. I think her response to Revolut's questions in connection with payment 3, which I'll come onto later, indicates she wasn't intending to disclose what was really going on. As confirmed by her representative, she was taking this approach as advised by the scammer who told her banks don't like customers investing in cryptocurrency.

While I don't think Ms G would necessarily have told the agent she was investing, I think the fact the money was going to cryptocurrency could have led Revolut's agent to conclude that was likely to be what she was doing and that it was appropriate to provide a tailored warning about common features of investment scams. But I'm not persuaded that would have made a difference here.

First, the questionnaire she completed did warn Ms G that scammers sometimes tell victims to hide the reason for payments if asked and that they sometimes ask people to download screen-sharing software to help set up an investment account. Both of these applied to Ms G's situation and Revolut's comments don't seem to have resonated with her.

Second, it seems that Ms G was firmly under the spell of the scammer at this point. I think this is apparent from her apparent willingness to withhold information from Revolut even though she was told she was only being asked questions to protect her from a potential scam. Also, her representative has provided a detailed explanation of what happened, including that Ms G was taken in by the apparent celebrity endorsements, the online research she carried out that only revealed positive reviews, and the fact she was given her access to her own account (for which she had to provide identification) on a professional-looking website.

On balance, I don't think any further intervention from Revolut, including a tailored warning about investment scams would have been likely to stop Ms G from wanting to continue with this payment.

Payment 2

This was for a much lower amount and was going to a payee Ms G had used before, with the previous payment having gone through the intervention I've outlined above. In the circumstances, I think it was reasonable for Revolut to process the payment in line with her instructions and without further questions or warnings.

Payment 3

This payment went to the account of an individual and I've seen nothing to indicate Revolut should have known Ms G was purchasing cryptocurrency. Nonetheless, the payment was for a large amount and followed quite shortly after payments 1 and 2. In the circumstances, I think Revolut should have identified she was at risk of harm from fraud and some kind of intervention was warranted.

On this occasion, Revolut says it again required Ms G to complete a questionnaire about the reason for the payment. Again she could have selected the option saying the payment was part of an investment, but this time she chose to say the payment was to '*buy or rent good or services*'. The questionnaire again began by warning that scammers may ask her to hide the real reason for the payment. But in answer to the follow-up questions, Ms G said she was buying from an online retailer, that she knew and had met the seller, and had seen the item she was buying in person.

As the money was going to an individual account rather than cryptocurrency, I don't think Revolut had any reason to disbelieve Ms G's answers or challenge her further about what was going on. But before she was able to complete the payment, I understand Ms G was shown a series of warnings relating to purchase scams and I think that was a proportionate response based on the information Revolut had been given. I don't think further intervention was necessary before this payment was approved in line with Ms G's instructions.

Other issues

I've also noted the comments of Ms G's representative about the Financial Conduct Authority's Consumer Duty and I've taken account of Revolut's obligations following its introduction, but I'm not persuaded this changes the outcome here. While Revolut was expected to avoid causing her foreseeable harm, I'm not persuaded its actions (or failure to act) were the cause of the harm she suffered, nor do I think that harm was reasonably foreseeable given the information it had at the time.

I want to be clear that it's not my intention to suggest Ms G is to blame for what happened in any way. She fell victim to a sophisticated scam that was carefully designed to deceive and manipulate its victims. I can understand why she acted in the way she did. But my role is to consider the actions of Revolut and, having done so, I'm not persuaded these were the cause of her losses.

Recovery of funds

I've also looked at whether Revolut could or should have done more to try and recover Ms G's losses once it was aware that the payments were the result of fraud.

I can see that Ms G notified Revolut about the scam later on 14 November 2023 and that it did try to recover payments 2 and 3 from the recipient institutions shortly afterwards. Unfortunately these attempts weren't successful and that's not surprising as it's a common feature of this type of scam that the fraudster will move money very quickly to other accounts once received to frustrate any attempted recovery.

I note there was a delay before Revolut attempted to recover the loss from payment 1, but this was made over a week before the fraud was reported and I don't think this delay affected the success of the recovery attempt given the later payments didn't prove recoverable.

In respect of payments 1 and 2, I'm also conscious that Ms G transferred funds to a legitimate cryptocurrency account in her own name. From there, she purchased cryptocurrency and moved it onto a wallet address of her choosing (albeit on the scammers' instructions). Revolut could only try to recover funds from Ms G's own account and it appears all the money had already been moved on and, if not, anything that was left would still have been available to her to access.

In the circumstances, I don't think anything that Revolut could have done differently would have led to these payments being successfully recovered.

In conclusion

I recognise Ms G has been the victim of a cruel scam and I'm sorry she lost such a large amount of money. I realise the outcome of this complaint will come as a great disappointment but, for the reasons I've explained, I don't think any further intervention by Revolut would have made a difference to the eventual outcome and I won't be telling it to make any refund.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms G to accept or reject my decision before 1 July 2025.

James Biles
Ombudsman