DRN-5110899

The complaint

Mr P complains that Revolut Ltd won't refund money he lost when he fell victim to an investment scam.

Mr P is being represented by solicitors in this complaint.

What happened

The full details of this complaint are well known to both parties and have been previously set out by the investigator. The facts about what happened aren't in dispute, so I won't repeat them here again. Instead, I'll focus on giving my reasons for my decision.

The complaint concerns six transactions – card payments, electronic transfers, and cryptocurrency withdrawals – which Mr P made between June and December 2023 from his Revolut e-money account. These were made in connection with an investment opportunity which he saw advertised on a social media platform. But it turned out to be a scam.

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 agree with the conclusions reached by the investigator. I'll explain why.

The starting position is that liability for an authorised payment rests with the payer, even where they are duped into making that payment. It isn't in dispute that Mr P made the payments, so under the relevant rules – the Payment Services Regulations 2017 – they were authorised. As such, Mr P is presumed liable for the loss in the first instance.

But, having taken into account relevant law, regulators rules and guidance, relevant codes of practice and what I consider good industry practice at the time, Revolut ought to have been on the look-out for the possibility of fraud and made additional checks before processing payments in some circumstances.

The investigator's view was that the first three scam transactions weren't unusual enough such that they warranted an intervention by Revolut. Mr P's representative has also acknowledged in their appeal that these transactions wouldn't have raised concerns. For completeness, I'm also not persuaded that the said transactions were that unusual such that I think Revolut ought to have made enquiries.

By the time Mr P authorised the fourth transaction – a transfer of £31,000 – I think Revolut should have identified that there might be a possibility that he was falling victim to a scam. And it did, as it informed Mr P that the payment had flagged as a potential scam. He was asked was why he was making the payment. Mr P was required to select from a list of options. He selected, 'transfer to a safe account', and Revolut provided a scam warning which covered the typical features of safe account scams.

Following this, Revolut directed Mr P to its in-app chat so that one of its agents could make further enquiries. Although the agent did warn Mr P – amongst other things – that scammers could offer exciting investment opportunity to convince customers to transfer funds, their questions followed on from his 'safe account' selection. Mr P confirmed that none of the scenarios described by the agent applied to him, and the payment was allowed to go through.

I've thought carefully about what happened here. From the chat correspondence I've seen between him and the scammer, Mr P was given specific instructions on what to say if his account provider questioned him about the payments. So, it's clear why he wasn't upfront with Revolut when it asked for the payment purpose.

Revolut submits that it was prevented from identifying the actual risk involved because of Mr P's actions. While I understand the point it's trying to make, from the information available to it about the destination account, Revolut ought to have known that Mr P's payment was linked to cryptocurrency. I consider it shouldn't have taken Mr P's answer at face value and should have probed him further about the payment purpose provided. Had it done that, on balance, I think Mr P would have eventually acknowledged that he was purchasing cryptocurrency. But while I accept that the payment was cryptocurrency related, and by the time of Mr P's payments scams involving cryptocurrency had been on the rise, there are many genuine cryptocurrency payments. After all, buying cryptocurrency was and remains legitimate.

In order for me to conclude that Revolut could have prevented Mr P's loss, I'd need to be satisfied on balance that in addition to confirming that he was purchasing cryptocurrency he would have been fully transparent about how he came to make the payment. I accept that when his account was restricted at a later stage, Mr P told Revolut that the transaction was for an investment opportunity. He also confirmed that he'd been advised to create his Revolut account. When pushed further, he also acknowledged that the opportunity had been endorsed by a well-known media personality. But I'm not convinced that Mr P would have responded in a similar way had Revolut probed him further *at* the time of payment 4.

Reading through the chat correspondence from around the time, the scammer's narrative had already persuaded Mr P that this was a promising opportunity. He also acknowledged that he understood why he needed to withhold information from his account provider if questioned. While I think he might have confirmed he was purchasing cryptocurrency, I'm not persuaded that he would have been as upfront with Revolut.

Even if I'm wrong about this, and he would have been open with Revolut, it still fell on Mr P to review any scam warnings provided and decide whether he was happy to proceed. I'm mindful that after his account was restricted and he confirmed the nature of payment 4, Revolut did identify the actual scam risk involved, and it provided an investment scam warning that, in my view, ought to have resonated with him. But Mr P remained convinced that his dealings were with a legitimate company. I can see he went back to the scammer, and they provided further reassurances. And he went on to make two further payments. As such, I'm not convinced that Mr P's losses could have been prevented had Revolut probed further along the lines I've described.

I've considered whether there are any ways Revolut could have recovered Mr P's money, but I don't consider it could have. Mr P bought genuine cryptocurrency with the funds which he sent on as part of this scam. So he did receive what he paid for, even if he then lost it due to the scam.

In summary, while Mr P has undoubtedly been the victim of a cruel scam, I don't find there were any significant failings on Revolut's part that would lead me to uphold this complaint.

My final decision

For the reasons given, my final decision is that I don't uphold this complaint.

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

Gagandeep Singh
Ombudsman