

## The complaint

Mr J is being represented by solicitors. He's complaining about Revolut Ltd because it declined to refund money he lost as a result of fraud.

## What happened

Sadly, Mr J fell victim to a cruel investment scam. After responding to an advert he saw online about a company offering returns from investing in cryptocurrency, Mr J was contacted by the scammer who helped him set up an account on a fake trading platform. After making a smaller initial investment, after which he was able to see the amount added to his account and the balance fluctuate as if trading was taking place, he was persuaded to make further payments.

Mr J's representative has identified that the following payments from his Revolut account (originally opened in 2017) between February and April 2024 were lost to the scam:

No.	Date	Payee	Amount	Type
1	2 Feb	Crypto exchange	£630	Card
2	27 Feb	Individual account	5,786 EUR	Transfer
3	5 Mar	Individual account	5,794 EUR	Transfer
4	6 Mar	Individual account	2,308.76 EUR	Transfer
5	14 Mar	Crypto exchange	£5,000	Card
6	14 Mar	Crypto exchange	3,468 EUR	Transfer
7	18 Mar	Crypto exchange	£2,555	Card
8	21 Mar	Crypto exchange	3,112 EUR	Transfer
9	15 Apr	Crypto exchange	£457.24	Card

Payments 2, 3 and 4 went to the account of an individual. The rest went to a known cryptocurrency exchange. According to Mr J's solicitor, payments 5 onwards were requested by the scammer to confirm he was legitimate and not a rogue trader. Mr J says he realised this was a scam after he was still being told he needed to pay more money after this.

Our investigator didn't recommend the complaint be upheld. She felt Revolut provided clear and relevant warnings in connection with a number of the payments. She also noted that Mr J wasn't receptive to Revolut's interventions, not being accurate with answers to some of its questions and voicing his displeasure at being asked about the payments, and felt further questioning and warnings from Revolut wouldn't have stopped him from going ahead.

Mr J didn't accept the investigator's assessment. His representative said Revolut would have known customers are often told to use cryptocurrency to fund scams and should have asked more questions that would have led to the scam being uncovered. It also said the warnings given were too generic and basic and therefore ineffective.

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. 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 Mr J 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 Mr J.

### ***Payment 1***

One of the key features of a Revolut account is that it facilitates payments that often involve large amounts and sometimes to overseas accounts or cryptocurrency and I must take into account that many similar payment instructions it receives will be entirely legitimate.

There's no evidence of Revolut questioning this payment before making it. But having considered what it knew about the payment at the time, including that the amount involved was low, I'm not persuaded it ought to have been particularly concerned about it or that it was at fault for processing it in line with Mr J's instruction.

### ***Payment 2***

Again, there's nothing to suggest this payment was questioned. Although the amount was higher than payment 1, it wasn't identifiably going to cryptocurrency and I don't think it was necessarily unreasonable for Revolut to make the payment in line with Mr J's instruction. And if it had intervened, I don't think it's likely the scam would have been prevented for the reasons discussed in connection with payments 3 and 4 below.

### ***Payment 3***

When this instruction was received, Revolut has confirmed it showed Mr J a warning screen saying the payment had been flagged as a potential scam. He was then asked the purpose of the payment, to which he replied he was paying a family member or friend. This was followed by a series of screens warning about impersonation and romance scams that were directly relevant to the payment purpose selected.

Mr J was then asked to complete a questionnaire. This warned that scammers might ask someone to hide the true purpose of a payment but Mr J maintained that he was paying a friend or family member. He also answered that he hadn't been told how to answer the questions by someone else and that he'd obtained the recipient's bank details face to face.

Based on the information it obtained, I think Revolut provided appropriate warnings that were relevant to the payment reason given. The money wasn't identifiably going to cryptocurrency and I'm satisfied it was reasonable for Revolut to process the payment without further intervention.

#### *Payment 4*

On this occasion, I understand Mr J went through the same process as for payment 3 and answered the questions asked in the same way. But this time he was also routed to an online chat with a Revolut agent. The agent clearly stated at the outset that the purpose of the chat was to protect him from potential fraud, but Mr J maintained he was paying a friend and said he'd known the payee for a long time. He was also clearly unhappy about being asked what he was doing with his money, saying this was his own business, to the point where he appears to have considered making a complaint.

Again, I'm satisfied Revolut provided warnings that were relevant and appropriate to the reasons Mr J gave for making the payment and that it was reasonably entitled to process the payment based on the information it had.

#### *Payment 5*

This payment went to a cryptocurrency exchange and Revolut asked Mr J about the purpose. This time he did say that he was investing but that he wasn't being guided by anyone else. Revolut then showed a series of warning screens explaining that scammers use social media to promote fake investments and the importance of carrying out research.

The warning screens shown were relevant to Mr J's situation, particularly the way he was introduced to the investment. But I do think Revolut should have done more to question the payment, although it's not clear further intervention at this stage would have made a difference. As I've already identified, Mr J wasn't receptive to being asked about the purpose of the payments he was making and didn't heed the more robust warnings given in connection with payment 6 below.

#### *Payment 6*

Again, Revolut showed various warning screens to say this could be a cryptocurrency scam and that scammers use social media to promote fake investments. It then asked Mr J a series of questions that contained warnings, including that scammers may ask customers to hide the real reason for a payment, might tell them to download software to give access to their details or to move money to accounts they don't control.

In response Mr J provided answers that weren't accurate, including that he'd been introduced to the investment by friends and family and that he would remain in control of the

money being transferred, when the cryptocurrency he was purchasing would actually be transferred to a wallet controlled by the scammers.

As for payment 5, I'm satisfied the warnings provided were relevant to Mr J's situation and they actually went further than the warnings provided on that occasion. They raised a number of issues that Mr J should have resonated with him as they applied to his own situation. Again, Revolut could have tried to speak to Mr J using the in-app chat but his response to the previous attempt at such an interaction doesn't suggest he would have welcomed this or been any more open or accurate with his answers.

### *Payments 7 to 9*

Revolut hasn't provided details of any further interventions in respect of these payments. But by this point it had already asked Mr J about the purpose of the payments on a number of occasions and provided warnings that related to the answers he gave.

### *Would further intervention have been effective?*

I've noted the comments of Mr J's representative about the effectiveness of the scam warnings given to Mr J and I'm satisfied these were tailored to the reasons he gave for the payments he was making. It's important to remember that the ability of a financial institution to provide appropriate scam warnings does depend to some extent on the customer providing accurate information about the circumstances of a payment. In this case, Mr J provided inaccurate answers to a number of questions and this could only hamper any attempt to warn him about the possible dangers he was exposing himself to.

Nonetheless, I understand Mr J's representative feels Revolut should have gone further and I've identified instances about where I think it might reasonably have been expected to do so. So I've thought very carefully about the effect any further intervention might have had but, on balance, it's my view that Mr J would still have wanted to go ahead.

When setting out his complaint to Revolut, Mr J's representative explained in some detail the reasons he believed the scam was genuine. In particular, it outlined how he was impressed with the apparent professionalism of the scammer and the fake platform and was reassured by the fact his initial investment appeared to have been credited to the account and to be generating returns. It seems he was convinced by the scam to the extent that he was prepared to hide information about the payments and how they came about from Revolut despite being told it was only asking questions to protect him from potential fraud. His reaction to being asked questions in person via the online chat also suggests he wasn't receptive to any discussion about what he was doing and I've seen nothing to suggest he would have been any more receptive if Revolut had tried to contact him again in this way.

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

### *Recovery of funds*

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

I understand Mr J first notified Revolut of the fraud on 25 April 2024, ten days after the last payment and several weeks after the earlier ones. 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 and this is why Revolut's attempts to recover the money were unsuccessful.

In respect of the money paid to the cryptocurrency exchange, this went to a legitimate cryptocurrency account in Mr J's own name. From there, he purchased cryptocurrency and moved it onto a wallet address of his choosing (albeit on the scammers' instructions). Revolut could only have tried to recover funds from Mr J'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 him to access.

As some of the payments outlined above were card payments, I've considered whether Revolut should have tried to recover the money through the chargeback scheme. This is a voluntary agreement between card providers and card issuers who set the scheme rules and is not enforced by law. A chargeback isn't guaranteed to result in a refund, there needs to be a right to a chargeback under the scheme rules and under those rules the recipient of the payment can defend a chargeback if it doesn't agree with the request.

We'd only expect Revolut to have raised a chargeback claim if it was likely to be successful and it doesn't appear that would have been the case here. Mr J paid a legitimate cryptocurrency exchange and would have received a service that involved changing his money into cryptocurrency before sending it to the wallet address he supplied it with. Mr J's disagreement is with the scammer, not the cryptocurrency exchange and it wouldn't have been possible for Revolut to process a chargeback claim against the scammer as he didn't pay them directly.

Taking all of these points into account, I don't think anything Revolut could have done differently would have been likely to result in funds being recovered.

#### *In conclusion*

I recognise Mr J has been the victim of a cruel scam and I'm sorry he 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 Mr J to accept or reject my decision before 25 June 2025.

James Biles  
**Ombudsman**