DRN-5146438

The complaint

Miss D complains that Revolut Ltd ("Revolut") won't refund the money that she lost to a scam.

What happened

The details of this complaint are not entirely straightforward. When Miss D initially reported the scam, she sent Revolut evidence that the scam was essentially a recovery scam in which she needed to send payments, in order to release a large amount of money held in a crypto wallet.

It seems as if each time that she paid the required fee she was asked to pay further funds to release the money in question.

That said when Miss D brought her complaint to this service via a professional representative, they said that the scam was part of a romance scam. It has provided chats to demonstrate this. Looking at the chats, I can see that Miss D has unfortunately been the victim of several scams all of which may be linked. So it may be the case that the funds that she was trying to release were part of the romance scam.

What is clear is that Miss D sent funds between April and June 2023 to crypto exchanges and it seems as if these funds were sent to a scammer.

Our investigator looked into this matter and did not uphold this complaint as they thought that Revolut provided sufficient warnings during the scam.

Miss D did not agree to this and therefore this case has been passed to me to issue 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.

In broad terms, the starting position is that an Electronic Money Institution ("EMI") such as Revolut is expected to process payments and withdrawals that a customer authorises it to make, in accordance with the Payment Services Regulations 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 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;

- have acted to avoid causing foreseeable harm to customers, for example by maintaining adequate systems to detect and prevent scams and by ensuring all aspects of its products, including the contractual terms, enabled it to do so; (post-CD only)

- 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 cryptocurrency accounts as a step to defraud consumers) and the different risks these can present to consumers, when deciding whether to intervene.

I agree with the investigator that Revolut did not need to intervene until 2 payments of £2,000 were made on 1 May 2023. This is because the size and the pattern of the payments prior to this point were not indicative of someone being scammed. I think a proportionate intervention at this point would have been a warning, setting out the common features of crypto scams.

Firstly, I should highlight that Revolut did provide a warning earlier in the scam saying that the transaction could be a scam. It also provided a warning when the second payment was made on 1 May 2023 as well. The first warning said that high returns in short period of times aren't guaranteed anywhere and that Miss D should be wary of social media promotions.

The second warning was limited to ensuring that nobody else has access to Miss D's crypto account. Revolut warned Miss D that she should not install remote access software and that she should carry out her own research.

Although Revolut did point out many features of a scam, as the payment looks to have been linked to a crypto based organisation, I think that this warning could have also set out more features of crypto scams.

These would be things like an advert on social media fronted by a celebrity, having a broker and quickly making large profits that you have to pay to release. But in this instance Miss D seems to have been falling for a recovery scam, which was essentially to make a payment to recover funds lost in a different scam. So, I accept that Revolut could have mentioned other common features of crypto scams and should have provided a more detailed warning for the second payment made on 1 May 2023. But I don't think that this would have resonated with Miss D, due to the details of the particular scam that Miss D fell for. So I don't think a more detailed warning would have likely stopped the scam. I also don't think that Revolut needed to intervene again given the size and pattern of the remaining payments.

So overall, I think that Revolut should have done more by providing a more detailed warning. But I do not think that this would have stopped the scam. Therefore, even if things had gone as they should've with Revolut, I think Miss D would've likely still incurred the loss that she did.

Recovery

I’ve also thought about whether Revolut could have done more to attempt to recover the payments after Miss D reported the fraud. But Revolut are not part of the Contingent Reimbursement Model (“CRM”).

In relation to attempting a chargeback for the card payments, Miss D was paying the crypto exchange to essentially send funds from her Revolut account to her own crypto account to purchase crypto - which is what happened. The loss only occurred, once she'd sent that crypto on to the scammer. So, as she received (at least initially) what she paid for, there are no reasonable grounds for a chargeback to succeed here.

I appreciate this will come as a disappointment to Miss D, and I’m sorry to hear she has been the victim a scam. However, I’m not persuaded that Revolut can fairly or reasonably be held liable for the losses that she said she incurred in these circumstances.

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 Miss D to accept or reject my decision before 17 September 2025.

Charlie Newton
Ombudsman