

The complaint

Mr P complains about Revolut Ltd.

He says that Revolut didn't do enough to protect him when he fell victim to three separate scams between June and November 2023.

This decision deals with the second scam.

What happened

Mr P came across another advert for a cryptocurrency investment on social media – he was again persuaded to take up the opportunity, open up several crypto wallets and send funds from his accounts with Revolut and R, another bank. He also granted access to his device via Anydesk.

Mr P made payments from his account with Revolut, and B, another bank, as part of this scam, and received £25 back from the scammer.

Mr P made a complaint to Revolut about what had happened, but it didn't uphold his complaint. He then brought his complaint to this Service.

Our Investigator looked into things but didn't think that the complaint should be upheld. In summary, they said that it wasn't clear what loss Mr P had directly suffered, and that they weren't persuaded that an intervention from Revolut would have uncovered the scam.

Mr P and his representatives didn't accept this, so the complaint has been passed to me.

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 decided not to uphold this complaint, for broadly the same reasons as our Investigator. I know this will be disappointing for Mr P.

I should start by saying that like our Investigator, it isn't clear where the majority of the funds used to make the payments originated from, and what loss was sustained from Mr P's crypto wallet – so it is hard to quantify Mr P's individual loss. There is also some missing information which makes it difficult to understand how the scam unfolded, due to most of the conversations taking place via phone, rather than by message.

It also appears that Mr P kept in contact with the scammer for some time after the scam was discovered.

But I don't believe that the missing information prevents me from reaching a decision on this complaint. I'll explain why.

In broad terms, the starting position at law is that banks and other payment service providers (PSP's) are 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. And I have taken that into account when deciding what's fair and reasonable in this case.

Mr P authorised the payments in question here – so even though he was tricked into doing so and didn't intend for the money to end up in the hands of a scammer, he is presumed liable in the first instance.

But this isn't the end of the story. As a matter of good industry practice, Revolut should also have taken proactive steps to identify and help prevent transactions – particularly unusual or uncharacteristic transactions – that could involve fraud or be the result of a scam. However, there is a balance to be struck: banks had (and have) obligations to be alert to fraud and scams and to act in their customers' best interests, but they can't reasonably be involved in every transaction.

Taking into account the law, regulator's rules and guidance, relevant codes of practice and what I consider having been good industry practice at the time, I consider Revolut should fairly and reasonably:

- Have been monitoring accounts and any payments made or received to counter various risks, including anti-money laundering, countering the financing of terrorism, and 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 banks 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;
- In some circumstances, irrespective of the payment channel used, have taken additional steps, or made additional checks, before processing a payment, or in some cases declined to make a payment altogether, to help protect customers from the possibility of financial harm from fraud.
- 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.

In this case, I need to decide whether Revolut acted fairly and reasonably in its dealings with Mr P when he authorised payments from his account or whether it could and should have done more before processing them.

Looking at the payments Mr P made from his account with Revolut, I can see that Revolut did provide him with some warnings throughout the payment journey – however, I am not persuaded that these warnings went as far as they should have done, given the amounts involved, and I would have expected Revolut to have provided Mr P with more tailored warnings, and invited him to its in-app chat to discuss what was going on.

However, in order for me to uphold Mr P's complaint, I would have to think that a better intervention would have made a difference, and prevented the loss that Mr P says he has suffered, and I am afraid that I don't think that it would.

Mr P had already recently fallen victim to a very similar scam only very recently before this scam took place and lost a significant amount of money – but although this scam was remarkably like the first scam, he still continued to make payments in very similar circumstances.

I am also aware that Mr P's other bank, B, intervened on several of the payments Mr P made to the initial scam Mr P fell victim to. I have been provided with copies of the conversations that took place. The initial intervention could have been better than it was, but on later interactions, Mr P wasn't honest about what he was doing. He told B that he was acting alone, and that there was no broker, or third party involved.

I am also aware that Mr P obtained several loans with which to fund the investment – one of which was from B – but he wasn't truthful about the purpose of this loan. He told B that the loan was for his business, but this wasn't the case. This came to light during one of the intervention calls in relation to the initial scam where it questioned him about the loan and asked him why he had said that the loan was for business equipment, when this clearly wasn't the case, which shows that Mr P was willing to withhold information and borrow significant amounts of money without declaring the true purpose of what the funds were for.

So, with this in mind, I don't think that an intervention at this point would have persuaded Mr P to part with any further information that Revolut could have used to uncover the scam. I am very sorry that Mr P appears to have fallen victim to a scam – but this is the fault of the scammers, not Revolut – and I can't uphold this complaint when I am not persuaded that a better intervention from Revolut would have uncovered the scam, along with it being unclear what losses Mr P has directly suffered.

My final decision

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 28 March 2025.

Claire Pugh
Ombudsman