

## The complaint

Mr H has complained that Revolut Ltd (Revolut) won't refund money he says he lost to a scam.

## What happened

Mr H confirmed that he was the victim of three scams. In November 2023, Mr H received a message on WhatsApp from the scammer. Mr H was not familiar with the number however he engaged in conversation. Mr H and the scammer spoke daily, and he believed a strong connection had been established. After a week of daily conversation, the scammer discussed investments and Mr H was sent a link to a scam platform. Mr H invested £20,000 on 12 December 2023. The scammer provided regular updates and Mr H invested a further £27,000. Mr H wanted to make a withdrawal but was advised that he would need to pay Capital Gains Tax. At this point Mr H realised that he had been scammed.

Mr H was drawn into a second scam at the end of December 2023. Mr H saw a promotion for an investment. Intrigued by this, he contacted the scammer. The scammer built a good rapport with Mr H. After several days of communication Mr H was added to a VIP Trading group. Other investors in the group discussed their success. Mr H sent money to the scammer. When Mr H wanted to withdraw his funds, he was told that he would need to pay fees. At this point he realised that he had been scammed.

The third scam occurred on 8 January 2024, when Mr H received a message on Telegram from another scammer. He struck up a conversation with the scammer who advised that she had a lot of success with investments. The scammer told Mr H that she could lend him money to make the investment. Mr H felt under pressure so agreed to accept a loan from the scammer. Shortly after this, the scammer started to demand repayment. Worried about the implications, Mr H started to send money to the scammer to repay the loan. When the scammer started to demand more money, Mr H realised that he had been scammed.

Date	Payment Number	Payment Type	Amount
12 December 2023		Cancelled	£3,730.20
12 December 2023	1	Transfer	£20,000
13 December 2023	2	Transfer	£20,000
14 December 2023	3	Transfer	£7,000
13 January 2024	4	Debit card	£100
16 January 2024		Recovered	£100
		<b>Total loss</b>	<b>£47,000</b>

Mr H's representatives contacted Revolut on 30 May 2024 regarding the transactions sent to the scammer at account C (payments one, two and three). However, the funds were already transferred out of account C prior to this report.

Mr H had made one debit card payment of £100 (payment four) to account D on 13 January 2024, however this was refunded on 16 January 2024. Therefore, my decision relates to payments one, two and three as payment four is deemed as 'no loss' as it was refunded.

On 13 June 2024, Revolut replied to Mr H' representatives and requested additional information. Revolut said it needed screenshots of all the communications between Mr H and the scammer, bank statements, and further information on all three scams, in particular information about each payment. In addition, Revolut said it required confirmation on all of the devices and browsers linked to Mr H' Revolut account. Revolut requested this by 20 June 2024.

On 20 June 2024, Revolut issued its final response letter to Mr H' via his representatives. It confirmed that no additional information had been received and therefore, in the absence of this, Revolut couldn't complete a "*liability assessment*". Based on this, Revolut confirmed that it followed all of its procedures correctly and due to the lack of evidence from Mr H, the complaint was not upheld.

Mr H didn't accept Revolut's response and referred the complaint to our service.

Our investigator looked into the complaint and said that Revolut ought to have been concerned about payments. Based on the circumstances of the transactions, our investigator thought Revolut ought to have identified that Mr H was at risk of financial harm from fraud, as his account had only been used for low value payments. She said that a transfer in of £20,000 followed by a £20,000 transfer out looked suspicious and that she'd expect Revolut to intervene.

Our investigator confirmed that Revolut did intervene but despite this, Mr H continued to make the transfers. She said Revolut provided warnings and explained the risks, but Mr H continued to make the transfers. She didn't think there was anything else that Revolut could've done, so she didn't uphold the complaint.

To clarify, Mr H brought two other complaints to our service which have been reviewed separately and do not form part of this decision. One of these relates to an account he has with Revolut. That complaint addressed all of the crypto exchanges and withdrawals. Some of which were included in the initial letter of complaint for this complaint.

Revolut didn't address those payments in this complaint, therefore, my decision relates to the following transactions, which our investigator addressed. She made Mr H' representatives aware of this, and this was not disputed by Mr H, his representative or Revolut.

Mr H and his representatives didn't agree with the investigator's findings. They said that whilst Revolut may have provided warnings, these weren't robust enough. They said "*Revolut's intervention was inadequate as it did not involve any human interaction*" with Mr H. The representatives provided a list of questions that they believe Revolut should've asked, and had it done so, they believe the scam would've been uncovered. As the complaint couldn't be resolved it has been passed to me to be considered.

### **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 investigator's findings for broadly the same reasons.

Firstly, I'm very aware that I've summarised these three scams briefly, in less detail than has been provided, and in my own words. No discourtesy is intended by this. Instead, I've focused on what I think is the heart of the matter here. If there's something I've not

mentioned, it isn't because I've ignored it. I haven't. I'm satisfied I don't need to comment on every individual point or argument to be able to reach what I think is the right outcome. Our rules allow me to do this. This simply reflects the informal nature of our service as a free alternative to the courts.

In broad terms, the starting position in law is that a firm such as Revolut is expected to process payments that their customer authorises them to make. It isn't disputed that Mr H authorised the payments from his Revolut account. Therefore, under the Payment Services Regulations and the terms of his account, Revolut is expected to process Mr H's transactions, and he is presumed liable for the loss in the first instance.

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 in December 2023 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;
- 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);
- 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.

Our service has referenced the relevant rules, codes of practice and good industry practice at the time, in many previous decisions published on our website.

The FCA's Consumer Duty, which was in force at the time these payments were made, requires firms to act to deliver good outcomes for consumers including acting to avoid foreseeable harm. In practice this includes maintaining adequate systems to detect and prevent scams and to design, test, tailor and monitor the effectiveness of scam warning messages presented to customers. As such, firms, have developed warnings to recognise both the importance of identifying the specific scam risk in a payment journey and of ensuring that consumers interact with the warning.

In light of the above, by December 2023, when these payments took place, Revolut should have had systems in place to identify, as far as possible, the actual scam that might be taking place, for example, by asking a series of automated questions designed to narrow down the type of scam risk associated with the payment Mr H was making. Revolut should have provided a scam warning tailored to the likely scam Mr H was at risk from. I accept that any such system relies on the accuracy of any information provided by the customer and cannot reasonably cover off every circumstance.

Having considered the size of the payments, where they were going to and what Revolut would've reasonably known of them at the time, and comparing Mr H's previous account history, I'm satisfied that the first payment Revolut should've intervened on, or had been concerned about, was payment one. I say this because it was a big increase in value compared to previous payments. So, given the size of the payments, Revolut ought to have been concerned.

For the first transfer of £20,000 on 12 December 2023, Revolut provided a transfer warning. This gave a general warning asking Mr H if he knew and trusted the payee. If he was unsure, then he shouldn't proceed with the payment. Mr H was then shown a warning that explained the transaction had been flagged as suspicious. Mr H was asked to provide a payment purpose. I have seen evidence that he confirmed it was for an investment.

Mr H was then required to complete a questionnaire. Having reviewed the questionnaire, it is evident Mr H explained that he was not being guided, and he had completed research on the company. Revolut provided a tailored written warning which outlined that it could be an investment scam, and to beware of social media promotions. Revolut said he should complete some research. Mr H continued through the questionnaire. He was asked some additional questions about the transfer of £20,000.

Revolut said:

*"We believe that there's a good possibility that your money might be at danger if you proceed with this transaction based on your responses. Would you kindly provide us with further information on the reason behind this transaction".*

Mr H replied:

*"I have a forex trading account with 66ex and to make deposits to it to trade with, it has a convoluted way of receiving the money, but it always gets transferred to my trading account".*

Revolut explained:

*"Unfortunately, fraudsters can create fake investment opportunities that look very realistic. That's why it's important to research any company you're thinking of investing with. Make sure you check that they're on the Financial Service Register in your country and check trustworthy review sites for any mention of scams. Are you comfortable performing further research before investing".*

Mr H said:

*"I think it's a Chinese account, so probably not on the financial service register".*

Revolut said:

*"Make sure any research you do is your own – fraudsters create convincing-looking posts on social media or share articles about investing. If someone says you need to send money as a tax or fee to access your funds, you are being scammed. Are you comfortable with proceeding with this transaction".*

Mr H confirmed:

*"Yes, I'm comfortable proceeding with the transaction".*

On 13 December 2023, Mr H completed a second transfer for £20,000 going to the same account. Revolut flagged the payment as suspicious, and Mr H had to complete a second questionnaire. This time he said that he heard about the investment from 'friends and family' rather than social media, which wasn't an accurate reflection of what happened. He was provided with the same warnings as the previous day. He then had to engage in a live chat with a member of Revolut's fraud team.

Mr H explained:

*"This is a similar transaction to one I made yesterday. I'm happy with the investment risk".*

Revolut asked:

*"Could you please give us some additional details about why you are making this transaction?"*

Mr H confirmed:

*"It is for a forex trade I'm preparing for tomorrow. I will make one more transaction of £5k tomorrow and that will be it. I'm aware it's high risk but so far am comfortable with the process that's been undertaken. I.e. yesterday's transfer was deposited in my trading account".*

Revolut explained:

*"Scammers may impersonate Revolut, another bank or the police and pressure you to make a payment urgently, telling you to ignore our alerts. Never ignore these alerts, even if someone tells you to. Please stop and let us know if you are concerned for your account safety. Could you confirm that you aren't being guided to make this transaction in any way".*

Mr H confirmed:

*"I am not being guided to make this transaction".*

Revolut asked Mr H if he still wanted to proceed with the payment. He confirmed yes.

Mr H' representative didn't feel the intervention was effective and they stated that Revolut should've completed human intervention. The representative also explained that Revolut needed to ask open, probing questions and that it needed to hold up their customers answers to a reasonable level of scrutiny. The representative provided a list of questions that they said Revolut should've asked. The representative explained that as Mr H stated the process was "*convoluted*", Revolut should have spotted this and "*properly*" discussed the payment.

Revolut asked a series of automated questions, and engaged with Mr H in a live chat, as I have highlighted above. Mr H made Revolut aware that he was sending the funds for an investment. It provided warnings that related to investment scams. In a live chat Revolut explained that it believed that Mr H may be at risk of financial harm.

Mr H' representative provided a list of questions. Revolut did ask a number of these. However, even if it had asked all of the questions on the list, I am satisfied it wouldn't have prevented the loss from occurring. Mr H was shown a number of warnings explaining the risks of scams. He explained that he had completed research and that he was aware of the high-risk nature of the investment. He confirmed several times that he wanted to proceed. He may have found the process convoluted, and whilst I agree that Revolut could've challenged this point and asked why he felt that way, I am persuaded that Mr H would have continued with the investment as the potential gains were too enticing.

I say this because in addition to Revolut's intervention, I have also considered the call that Mr H had with bank A. This occurred on 11 December 2023, which was prior to him transferring the £20,000 payment from his Revolut account on 12 December 2023.

On 10 December 2023, Mr H attempted to transfer £5,000 from bank A but it was blocked. Mr H called to discuss the payment, but the call was cut off. Mr H called back on 11 December 2023 as he wanted to get the payment unblocked. He was asked a series of questions, these included, who was he transferring to, the purpose of the transfer, how did he come across the investment, had he completed research, why he was moving his funds out of bank A, how the investment was made, did he have access to the platform, did he have any legal documents (there was also general scam education provided).

The call lasted 25 minutes and Mr H explained that he had received documentation and that he was comfortable that he *“was covered”*. Mr H explained that he knew he was making a high-risk investment. When asked about the returns he explained in 18 months to two years he would get *“a reasonable return on it”*. The advisor asked Mr H if he had read and understood the online scam warnings that bank A had provided. Mr H replied

*“I did yes, and I understood them. I am comfortable that I am making a valid and bona fide payment for an investment”*.

Mr H explained that he had received the platform and bank details via an email, he had checked all the details against Companies House, and they seemed legitimate and that he found out about the investment through the industry he was in and that he'd been invited to a seminar but was unable to attend.

Mr H told the advisor that he wasn't receiving much interest on his bank account and he wanted to *“diversify his investments”* in order to get better returns. He confirmed that the company was not on the FCA register and the advisor explained that most genuine companies would be on the register. This did not seem to cause Mr H any concern. Mr H was asked if he had access to the online platform. The advisor said that in a lot of scams, customers only have read access, and the scammer had full access. Mr H confirmed that he could access the platform.

I appreciate Mr H's representative didn't feel Revolut's intervention was effective. While I accept there were elements that Revolut could've challenged, I am not persuaded this would've been successful. Having listened to the call with bank A, (which I deem to be a proportionate and robust intervention) Mr H was totally convinced by the scam. He had received documents that he believed to be genuine, he said he had completed research, he had been invited to a seminar and he was fully invested in the potential of the returns that he was told he would receive. In addition, there were no warnings on the FCA register at that time (although these were added in 2024), so there was no way for Revolut to identify that this was a scam.

I am satisfied that Mr H was more persuaded by the returns he was promised rather than the warnings Revolut provided. So I can't fairly conclude that Revolut would've been able to break the spell and unveil the scam. Therefore, I can't reasonably hold Revolut responsible for this.

### *Recovery*

I've also thought about whether Revolut could have done more to recover the funds once it became aware of the situation. I'm satisfied that had Revolut contacted the receiving bank as soon as it was aware of the fraud (bearing in mind when Mr H raised the complaint), it wouldn't have made a difference in the circumstances. This is because, unfortunately, at the time Mr H reported the fraud, the money would've already been removed from the receiving accounts.

### *Compensation*

I note that Mr H has said that he wants £250 compensation for the distress and inconvenience caused. Whilst I don't dispute Mr H would have felt distressed and inconvenienced by the scam he fell victim to, I haven't seen any evidence to persuade me that Revolut should pay Mr H compensation as a result.

### **My final decision**

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 H to accept or reject my decision before 27 October 2025.

Jade Rowe  
**Ombudsman**