

## The complaint

Mr A is unhappy that Revolut Ltd won't reimburse money he lost to a scam.

Mr A is represented by a third party, but for ease of reference I will refer to Mr A throughout the decision.

## What happened

The background to this complaint is well known to both parties, so I won't repeat everything here.

In summary, Mr A fell victim to a cryptocurrency investment scam. Mr A said he found the investment opportunity online which he said was endorsed by a well-known public figure. As a result, he made contact with the investment company.

Mr A has explained that in July 2023 he made several payments from his Revolut account towards the investment. Most of the payments Mr A sent were peer-to-peer purchases of existing cryptocurrency – in other words, Mr A appears to have made payments directly to another person who then transferred cryptocurrency to a blockchain address that he controlled. Once he'd obtained it, Mr A then transferred that cryptocurrency to the scammers. Mr A also made some payments directly using the account details provided by the scammer. He has advised he lost £42,105 as a result of the scam. He realised he had been scammed when the funds he was promised were not returned.

Date	Amount	Notes
25 July 2023	£2,000	Payment purpose - Something else
26 July 2023	£5,000	Payment purpose - Something else - referred to live chat
26 July 2023	£4,990	
27 July 2023	£10,000	Payment purpose - Something else - referred to live chat
27 July 2023	£4,115	Payment purpose - Something else
27 July 2023	£6,000	
28 July 2023	£10	
28 July 2023	£3,416	Payment purpose - Something else
28 July 2023	£10	
28 July 2023	£6,564	Payment purpose - Something else

Mr A raised a complaint with Revolut. It investigated the complaint but didn't uphold it. It didn't think it had done anything wrong by allowing the payments to go through. So, Mr A brought his complaint to our service.

Our Investigator looked into the complaint but didn't uphold it. Our Investigator explained that Revolut had provided warnings to Mr A before releasing some of the payments, but he provided incorrect information when asked about them. She thought the actions taken by Revolut were proportionate to the risks it identified.

Mr A didn't agree with the outcome, so his complaint has been passed to me for review and a final 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.

Having done so, I agree with the outcome reached by the Investigator. I'll explain why.

I've thought about the Contingent Reimbursement Model Code (CRM Code) which can offer a potential means of obtaining a refund following scams like this one. But as Revolut isn't a signatory of the CRM Code, these payments aren't covered under it. I've therefore considered whether Revolut should reimburse Mr A under any of its other obligations.

In broad terms, the starting position at law 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 (in this case the 2017 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 in July 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;
- 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.

Here, as part of the transfer process for the payments, Revolut did provide Mr A with advice and warnings to try to protect him from being scammed. Mr A has raised some points about not being shown any warnings and that he didn't interact with Revolut, however I am satisfied with the information provided by Revolut, which included photos Mr A had to take at the time, that he was dealing with an agent at Revolut and that it did show several warnings to him.

Revolut presented the following to Mr A before he made the first payment to each of the new beneficiaries:

*"Do you know and trust this payee? If you're unsure, don't pay them, as we may not be able to help you get your money back. Remember, fraudsters can impersonate others, and we will never ask you to make a payment."*

Revolut also highlighted to Mr A that the payments had been flagged by its systems as a potential scam and that to continue it needed to ask him some questions. As part of this it carried out further checks, undertaking a fraud risk assessment before a number of the payments he made. It did this from the first payment. It also spoke with Mr A using its live chat function on two of the payments. Revolut asked Mr A to select the purpose of the payments from a list of options. But Mr A selected that the payments were for 'something else', rather than selecting the option of 'investment' or 'cryptocurrency' which were more appropriate to his circumstances.

Revolut then showed him a series of warnings, including highlighting that this could be a scam and that if he'd been told to ignore the warnings given, then it was a scam. Revolut also asked Mr A a series of questions, to narrow down the possible fraud risks he faced, including whether he'd been asked to install any software so someone could see his screen, whether he had been asked to pay someone he didn't know and again asked him whether he'd been told to ignore any warnings it had shown him. But despite Mr A now saying he was asked to install remote access software, pay money to multiple people he didn't know and told to ignore its warnings, he answered to Revolut that these circumstances didn't apply to him and that he hadn't been asked to install software or ignore warnings. Revolut's agent also made it clear to Mr A that his money may be at risk if he continued with the payments. I'm satisfied that Revolut's questions were clear and unambiguous.

Not all the warning messages Revolut provided would have seemed relevant to Mr A's circumstances. This, however, was no fault of Revolut as it wouldn't have been able to identify from the payees that the payments were for other purposes. This is because the payments were mainly being sent to individuals (not for example to cryptocurrency exchanges) so I'm not persuaded that it would have known that the payment purpose was incorrect from the information it had. And so, I don't think it had sufficient reason to suspect the payment reason provided may be incorrect.

As explained above, Mr A could have selected different payment options that would have more accurately described the purpose of the payments – such as 'investment' or 'cryptocurrency'. Had Mr A selected either of these options it would have given Revolut a better understanding of the payments – thereby allowing it to provide him a more tailored scam warning related to the risks of investments or cryptocurrency payments. It also could have helped Revolut identify whether it ought to have taken additional steps to try and protect Mr A from a scam. Unfortunately, due to Mr A selecting inaccurate payment reasons, Revolut were prevented from knowing the true purpose of the payments. And so, I don't think Revolut acted unreasonably by providing the scam warnings it did.

The warnings provided, albeit not specially tailored to the type of scam Mr A fell victim to, were somewhat relevant to his circumstances. They highlighted that fraudsters will pretend to be someone you can trust, they will pressure you to ignore warnings, send money to people you don't know and that they could use an exciting investment opportunity to convince customers to transfer funds. So, I think the scam warnings presented by Revolut ought to have resonated with him with given his situation – thereby prompting him to question the legitimacy of what he was being asked to do.

Mr A has argued that he was under immense pressure from the scammer at the time he was making the payments and that if Revolut had done more before processing them it would have been aware of this. Mr A would have preferred a call from Revolut, but it tends not to call its customers and deals instead through its in-app chat which it did here. It's not for us to comment on how Revolut chooses to run its business, but I have thought about whether Revolut ought to have taken further steps when Mr A made his payments and whether any further probing would have made a difference. When considering this, I've kept in mind that

EMIs process high volumes of transactions each day. And that there is a balance for Revolut to find between allowing customers to be able to use their accounts and questioning transactions to confirm they're legitimate.

However, in the circumstances I think the actions Revolut took were proportionate to the risks identified at the time. And based on what Mr A has highlighted about the scam, even if Revolut had probed him further I don't think it would have made a difference here. This is because Mr A said he was being guided by the scammer at each step. He's also confirmed the scammer told him to ignore warnings. It's also clear that Mr A gave inaccurate information in order to get the payments processed.

It's clear that Mr A trusted what he was being told by the scammer and that he was willing to follow all his instructions. He's told us that he felt as if he was under some form of 'hypnosis', that he could not think clearly, and that the scammer was in complete control. He's also confirmed he was on the phone with the scammer for multiple hours a day. So, based on his responses to Revolut and the level of control the scammer seemed to have, I don't think Mr A would have revealed much around the circumstances of the payments if probed further.

Based on the above, I think the actions Revolut took for the payments were proportionate to the risks it identified.

*Could Revolut have done anything to recover Mr A's money?*

There are industry standards around attempting recovery of funds where a scam is reported.

Most of the transactions were made to legitimately purchase cryptocurrency as part of peer-to-peer payments. Given Mr A has told us he moved the cryptocurrency on to third-party wallets, recovery would likely have failed. For completeness, Revolut couldn't have attempted recovery from the third-party wallet owner.

Revolut did attempt recovery for the payments which weren't peer-to-peer payments by contacting the receiving banks. There was a delay in it attempting to do this, but the first receiving bank has confirmed the funds were removed within minutes of crediting the account, so Revolut's delay hasn't impacted Mr A. Our investigator requested further information from the second receiving bank as it didn't look like it had responded to Revolut. It confirmed that some funds remained in the account. It's not clear why these funds weren't returned to Mr A or if they should be, but in the circumstances Revolut did what it needed to by attempting recovery and we wouldn't hold it responsible for the receiving bank not responding to it.

To summarise, I'm sorry Mr A was the victim of a cruel scam and about the impact the whole experience has had on him. I'm also sorry about the information he's shared with us about how the scam has impacted him. But I can only direct Revolut to refund his losses if I'm satisfied any failings on its part made a material difference to what happened. On balance, I'm not convinced that it did. Your text here

### **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 A to accept or reject my decision before 17 July 2025.

Aleya Khanom

**Ombudsman**