

The complaint

Miss M is being represented by a claims manager. She's complaining about Revolut Ltd because it declined to refund money she lost as a result of fraud.

What happened

Sadly, Miss M fell victim to a cruel investment scam after responding to information she saw on social media about trading in cryptocurrency. She was then contacted by the scammer, who apparently told her she couldn't lose and would make very large profits, and persuaded to invest.

Miss M opened a Revolut account on 12 April 2024, giving the purchase of cryptocurrency as one of the reasons for doing so. Starting on the same day she began making the following sequence of payments that were lost to the scam.

No.	Date	Payee	Amount £
1	12 April	Exchange to crypto	500
2	18 April	Individual 1	351.62
3	19 April	Individual 1	1,299.32
4	20 April	Individual 2	784.83
5	20 April	Individual 3	549.38
6	21 April	Individual 3	1,905.39
7	23 April	Individual 3	1,043.76
8	25 April	Exchange to crypto	50
9	25 April	Exchange to crypto	1,435
10	25 April	Exchange to crypto	500
11	27 April	Exchange to crypto	500
12	28 April	Exchange to crypto	500
13	29 April	Exchange to crypto	500
14	30 April	Exchange to crypto	500
15	5 May	Exchange to crypto	500
16	6 May	Crypto exchange 1	1,000
17	7 May	Crypto exchange 1	500
18	8 May	Crypto exchange 2	530
19	8 May	Individual 3	2,178.74
20	11 May	Individual 3	3,176.32
21	13 May	Individual 3	951.25
22	16 May	Individual 3	5,294.02
23	18 May	Individual 3	3,715.92
24	21 May	Individual 3	3,007.58
25	23 May	Individual 3	2,511.21
26	23 May	Individual 3	4,704.31

Payments 8 to 15 represent money that was exchanged for cryptocurrency within Revolut and then transferred to the scammers. The rest were all transfers except for payments 16, 17 and 18, which were debit card payments.

Our investigator didn't recommend the complaint be upheld. She detailed the interventions attempted and warnings given by Revolut about the payments and didn't think any further intervention would have changed the outcome. In particular, she noted that Miss M didn't provide it with accurate information about the payments she was making.

Miss M didn't accept the investigator's assessment and her representative made the following key points:

- Automated interventions of the type attempted here are ineffective and insufficient.
- Three payments to friends and family in three days should have been seen as unusual and prompted further questioning. Revolut should also have asked more about payment 20, which Miss M said was for '*something else*'.
- If Revolut had asked appropriate probing questions, it would have discovered Miss M was investing with an unregulated broker who'd guaranteed she wouldn't lose money and the scam would have been uncovered.
- The fact Revolut declined several payments as it wasn't satisfied with Miss M's explanation when questioned shows she didn't have a coherent cover story.
- Revolut's failure to protect Miss M was in breach of the requirement under the Financial Conduct Authority's (FCA) Consumer Duty to prevent foreseeable harm.

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.

There's no dispute that Miss M authorised the above payments. 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.

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 Miss M.

The payments

One of the key features of a Revolut account is that it facilitates payments that sometimes involve large amounts and/or the purchase of cryptocurrency and I must take into account that many similar payment instructions it receives will be entirely legitimate. I'm also conscious this was a new account and there was no history of past activity against which these payments might have looked suspicious.

Having considered what Revolut knew about the payment 1 at the time, I'm not persuaded it ought to have been particularly concerned about it. The amount involved was relatively low and its nature was consistent with the reasons Miss M had given for opening the account. So I can't reasonably say it was at fault for following her instruction.

Payments 2, 4 and 5 were to individual payees and it's not apparent that Revolut should have known they'd end up in cryptocurrency. Nonetheless, it did ask Miss M to confirm the reason for the payment. From a list of options that included investing, she selected the option that said she was paying friends and family. Based on her answers, she was then shown a series of warnings tailored to common types of scam involving payments to friends and family members. On balance, I'm satisfied the interventions on these payments were appropriate. I don't think further interventions were required for payments 3, 6 and 7 as these went to payees Miss M had engaged with before and appropriate warnings had already been given.

Following payment 7, Miss M tried to make further payments to individual 3 but she was required to speak to a Revolut agent via the in-app chat function. Each of these attempts appears to have been abandoned by Miss M, before she tried again and went through a similar process. By this time, I do think a human intervention was warranted and I've reviewed the record of Miss M's conversations with various Revolut agents in relation to the payments she tried to make between 23 and 25 April.

During these conversations Revolut's agents posed Miss M a number of questions about the payment was trying to make, including asking the reason and for evidence to confirm what she was saying. In responding to these enquiries, despite being told their purpose was to protect her from scams and reminded of the need to answer truthfully, she went to great lengths to hide the real purpose of the payments. She repeatedly claimed she was sending money to a family member to help secure a property, saying she'd seen it and met the agent and even producing documents relating to the earlier purchase of her property to evidence her story.

Despite some probing questions from Revolut's agents, Miss M stuck to the story she was telling and actually became quite irritated at being asked to explain herself. We don't have a record of her online chats with the scammer from the end of April. But we do have this information from the time of later interventions from Revolut and this shows she was being directed by the scammer, who she was communicating with at the same time as she was chatting with Revolut and that she was being told how to answer its questions. I think it's likely she was being similarly guided between 23 and 25 April, otherwise it's difficult to explain why she responded in the way she did.

It's unfortunate that Miss M chose not to co-operate fully with Revolut's agents, choosing to accept what she was being told by the scammer over and above any warnings she was given. But the fact she responded in this way means it was much harder for Revolut to identify what type of scam might be taking place and provide tailored and potentially more impactful warnings.

Revolut required Miss M to speak to one of its agents again at the beginning of May about a later transfer she was trying to make to individual 3. Again, she was asked about the reason for the payment and this time she said she was giving money to a family member who was experiencing difficulty. The history of her online chat with the scammer shows she was communicating with them at the same time and being directed how to answer Revolut's questions. Again, this failure to engage properly with Revolut's enquiries made it very difficult to determine that she was likely falling victim to a scam or what type of scam that might be.

The effectiveness of any fraud intervention is to some extent dependent on the customer's co-operation, particularly in answering questions they're asked truthfully. If a customer tries to hide the real reason for a payment, that can make it much more difficult for a business to identify a scam might be taking place and provide appropriate warnings.

I think the evidence shows Miss M was intent on hiding the real reason for what she was doing and showed a real determination to continue regardless of any warning she was given or obstacles that were put in her way. This is most clearly illustrated after her unsuccessful attempts to transfer money to individual 3 between 23 and 25 April. Rather than take notice of Revolut's warnings, she instead opted to make payments via another method (exchanging money into cryptocurrency and transferring that to the scammer) to ensure they went through.

There is an argument for saying that Revolut should have intervened on other occasions. Although the payments involving cryptocurrency (numbers 8 to 18) were relatively low, the velocity was such that further questions should probably have been asked at some point. Also, Miss M made a lot of large payments to individual 3 after her conversations with Revolut's agents at the beginning of May. But I've no reason to think she'd have been any more co-operative if further interventions had been attempted. Even if it had taken the quite extreme decision to decline payments altogether, the determination Miss M showed to continue paying to the scam despite Revolut's interventions and warnings suggests she would probably have found another way to do this anyway.

This all leads me to the conclusion that further interventions by Revolut wouldn't have prevented Miss M making payments to the scam.

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

Finally, I have noted the comments of Miss M's representative about the Consumer Duty and I've taken account of Revolut's obligations following its introduction, but I don't think this changes the outcome here. While Revolut was expected to avoid causing her foreseeable harm, I'm not persuaded its actions (or failure to act) were the cause of the harm she suffered, nor do I think that harm was reasonably foreseeable given the information Miss M was willing to disclose about the payments she was making.

Recovery of funds

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

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 it's not surprising that when Revolut made contact with the recipient institutions there were no funds available.

Payments 16 to 18 were card payments and I've considered whether Revolut should have tried to recover the money through the chargeback scheme. But I'd only expect it 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. Miss M paid legitimate cryptocurrency exchanges and would have received a service that involved changing her money into cryptocurrency before sending it to the wallet address she supplied it with (albeit the wallet address was provided by the scammer). Miss M's disagreement is with the scammer, not the cryptocurrency exchanges and it wouldn't have been possible for Revolut to process a chargeback claim against the scammer as she didn't pay them directly.

In the circumstances, I don't think anything that Revolut could have done differently would likely have led to these payments being successfully recovered.

In conclusion

I recognise Miss M has been the victim of a cruel scam and I'm sorry she 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 Miss M to accept or reject my decision before 14 August 2025.

James Biles
Ombudsman