

The complaint

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

The complaint is brought on Mr M's behalf by a professional representative.

What happened

The background to this complaint is well known to both parties, so I won't repeat everything here. In summary, Mr M has explained that between March and June 2024 he made several payments from his Revolut account to buy cryptocurrency which he ultimately lost to an investment scam.

Mr M said he saw an advert promoting the investment with a company who I'll refer to as "B". He provided his details to B and was contacted by the scammers shortly afterwards. He said he was dealing with a personal investor who would guide him with his investments. This included taking remote control of his device.

Mr M was given access to an account with B on its website, which he says allowed him to see his profits. He was also asked to download a cryptocurrency app and wallet. He made an initial payment of £500 from a different account and then used his Revolut account to make the remaining payments to a cryptocurrency exchange. Mr M then transferred the funds into the control of the scammers. I have included a breakdown of the relevant payments from his Revolut account below.

Transaction number	Date	Status	Amount
1	20 March 2024	Completed	£2,000
2	17 April 2024	Cancelled	(£5,000)
3	17 April 2024	Completed	£5,000
4	18 June 2024	Completed	£4,900
Total loss			£11,900

Mr M realised he had been scammed when he was asked to pay fees in order to withdraw his profits. He was told these couldn't be deducted from the profits he had made.

Mr M 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 M 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 M before releasing some of the payments so he thought the actions taken by Revolut were proportionate to the risks it identified.

Mr M 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.

Mr M has made extensive submissions in support of this complaint. I'm very aware that I've summarised this complaint and the relevant submissions briefly, in much less detail than has been provided, and in my own words. No discourtesy is intended by this.

Instead, I've focussed on what I think is the heart of the matter here. As a consequence, 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 consider is the right outcome. Our rules allow me to do this, reflecting the informal nature of our service as a free alternative to the courts.

As such, the purpose of my decision isn't to address every single point raised. My role is to consider the evidence presented by the parties to this complaint, and reach what I think is an independent, fair and reasonable decision, based on what I find to be the facts of the case. For the avoidance of doubt, in doing so, I have carefully reviewed everything submitted by Mr M.

I'm sorry Mr M has been the victim of a cruel scam. I want to assure him that I don't underestimate the impact this has had on him. But it would only be fair for me to direct Revolut to refund him the loss if I thought it was responsible. And, for similar reasons as our Investigator, I'm not persuaded that this was the case. I'll explain why.

Mr M has referred to other people, who he believes were in a similar circumstance as him, have had their funds returned. It's important to highlight that we look at complaints on a case-by-case basis and consider the unique circumstances of each case before reaching a decision. Although his bank may have returned his funds, this doesn't always mean we will ask another business to do the same. I must decide whether it would be fair for Revolut to do this in the circumstances of the complaint.

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 2024 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,

- 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.

Given what Revolut knew about the payments, I've thought about at what point, if any, it ought to have identified that Mr M might be at a heightened risk of fraud.

Revolut says that when new payees were set up it provided Mr M with a warning that said:

"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 didn't intervene on Transaction 1. I'm conscious that this payment was relatively modest so I can't see any reason for Revolut to have been particularly concerned about it. A customer making some larger payments, compared to their usual spending is not uncommon. So, overall, I don't think this payment presented an obvious fraud risk.

However, when Mr M sent his next few transactions Revolut recognised they were high-risk payments and provided Mr M with advice and warnings to try and protect him from being scammed. I think Revolut were right to be suspicious of these payments given the value of each payment and what it knew about the destination of the payment. So, I would have expected it to take additional steps, such as asking a series of questions through an automated warning in an attempt to narrow down a possible scam risk. And given Mr M was falling victim to a cryptocurrency investment scam, I consider that a warning highlighting some of the key aspects of such scams would have been an appropriate response here, without imposing a level of friction disproportionate to the payment risks presented.

Mr M can't remember being shown warnings by Revolut but based on the evidence provided by Revolut and having looked through his messages with the scammer, I am satisfied Mr M was shown warnings at the time. Before Transaction 3 was processed Mr M was asked a series of questions. Revolut stated that he should answer truthfully and that if he was being scammed the fraudster may ask him to hide the real reason for the transaction. I have set out below some of the questions Mr M was asked and the responses he provided:

Revolut	<i>"Is anyone telling you how to answer these questions?"</i>
	<i>"Is someone telling you which options to choose or telling you this is urgent?"</i>
Mr M	<i>"No, I am not being assisted through this questionnaire."</i>
Revolut	<i>"Why are you making this transfer?"</i>
	<i>"We'll only use this information to help protect your account."</i>
Mr M	<i>"As part of an investment."</i>
Revolut	<i>"What kind of investment?"</i>
	<i>"This helps us identify your level of risk."</i>
Mr M	<i>"Gains from cryptocurrency."</i>
Revolut	<i>"Have you been asked to install software?"</i>

“Scammers might ask you to install software (e.g. Any desk) to view your screen, spy on your personal details and help you to set up your investment account.”

Mr M ***“No, I was not asked to install any software.”***

Revolut ***“How did you discover this opportunity?”***

Mr M ***“Online or social media ads.”***

Revolut ***“Have you ever invested in crypto?”***

Mr M ***“Yes, I’ve invested in crypto before?”***

Revolut ***“Have you researched the company?”***

Mr M ***“Yes- I checked if the firm is on the FCA Register.”***

Revolut ***“Is the transfer to an account you control?”***

Mr M ***“Yes, it’s my existing account.”***

Following Mr M’s responses Revolut then provided a number of warnings tailored to the answers he provided which gave the option for him to cancel the transaction. This included highlighting this could be a crypto scam, beware of social media promotions, don’t give anyone remote access, do your crypto research and don’t be rushed. Revolut also made it clear to Mr M that his money might be at risk if he made the transfer. I also think these warnings highlighted several key features which applied to Mr M’s payment so the information should have resonated with him and prompted him to question the legitimacy of what he was being asked to do.

Mr M has highlighted that he wasn’t aware of who the FCA (Financial Conduct Authority) was at the time. He’s also raised concerns about not being “IT savvy” or being aware of review sites to carry out checks on L. But I don’t think it would have been unreasonable for Mr M to reach out to Revolut if he wasn’t sure about any of the questions being asked or the investment itself given that he was already dealing with Revolut on its app. If he had answered differently to some of the questions asked, then it would have given Revolut an opportunity to identify whether it ought to have taken additional steps to try and protect Mr M from a scam. But in the circumstances Revolut wouldn’t have known Mr M was answering the questions incorrectly, so I don’t think it acted unreasonably by providing the scam warnings it did.

Mr M believes that Revolut should have blocked him from making the payments and that it should have picked up that this wasn’t a legitimate investment. I have thought about whether Revolut ought to have taken further steps with 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 risk it identified at the time. It’s clear from what Mr M has told us and from the messages that he was under the spell of the scammers. So even if Revolut had probed him further I don’t think it would have made a difference here. He’s confirmed he was being guided by the scammers and based on the evidence above it’s clear that Mr M gave inaccurate information in order to get the payments processed. He’s since confirmed that he hasn’t invested in cryptocurrency. He’s also confirmed that he did install remote access software to allow the scammers to help him with the investment. It’s clear that Mr M trusted what he was being told by the scammer so I don’t think he would have revealed much about the circumstances around the payment, if probed further. I’m not persuaded Revolut ought reasonably to have known that Mr M

wasn't revealing the true purpose behind Transaction 3 when making it. And, I think the actions Revolut took on this payment were proportionate to the risk it identified.

As explained above, I think that Mr M was under the spell of the scammer from the answers provided above so I don't think that further intervention from Revolut on Transaction 4 would have made a difference. I think it's clear that Mr M was willing to take direction from the scammer when making the payments, and I can't ignore the fact that he was knowingly giving false information, despite the warnings being applicable to his circumstances.

So, I don't think there is anything further I would have expected Revolut to do before processing the payments.

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

Revolut attempted recovery of Mr M's payments. However, the payments to L were converted into cryptocurrency and paid to the scammer. Therefore, I don't think there was any realistic possibility of recovery.

I'm sorry to hear Mr M suffered a financial loss as a result of what happened. But it would only be fair for me to direct Revolut to refund his loss if I thought it was responsible – and I'm not persuaded that this was the case. For the above reasons, I think Revolut has acted fairly and so I'm not going to tell it to do anything further.

My final decision

For the reasons I've explained, I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 15 August 2025.

Aleya Khanom
Ombudsman