

## The complaint

Ms N is complaining about Revolut Ltd because it declined to refund money she lost as a result of fraud.

## What happened

Sadly, Ms N fell victim to a cruel cryptocurrency recovery scam. As I understand it, she'd previously tried to buy cryptocurrency in 2020 but didn't receive anything in return. Then in March 2024, she was contacted by someone saying she had unclaimed profits that would be returned to her after she'd paid relevant fees and taxes.

Ms N had an existing account with Revolut and used this to make the following payments that were lost to the scam:

No.	Date	Payee	Amount £
1	27 Mar	Crypto exchange 1	3,000
2	28 Mar	Crypto exchange 1	1,260
3	5 Apr	EMI	57
4	6 Apr	EMI	5,221.84
5	12 Apr	EMI	5,322.26
6	18 Apr	EMI	6,000.10
7	19 Apr	EMI	3,499.64
8	26 Apr	EMI	9,941.58
9	26 Apr	Crypto exchange 2	1,660

Payments 1, 2 and 9 went to known cryptocurrency exchanges. The others went to an account in Ms N's own name with another Electronic Money Institution (EMI), from where it was then used to purchase cryptocurrency and transferred to the scammers.

Ms N has also complained about the other EMI and I've considered that complaint in a separate decision.

Ms N tried to make a further 11 payments to cryptocurrency exchanges between 27 March and 5 April but these were all declined by Revolut due to what it considered to be suspicious activity.

Our investigator didn't recommend the complaint be upheld. Ultimately, she felt any further intervention by Revolut before the payments were made wouldn't have uncovered the scam as Ms N didn't provide accurate information about the payments were for.

Up to this point, Ms N had been represented by solicitors. Following the investigator's assessment, the solicitors wrote to tell us it had discussed this with Ms N and she'd asked for the complaint to be reviewed but they'd no longer be representing her in this. Ms N was invited to make any further submissions herself but nothing was received.

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.

In broad terms, the starting position at law is that an 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.

In this case, there's no dispute that Ms N authorised the above payments.

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 Ms N.

### ***Payments 1 and 2***

One of the key features of a Revolut account is that it facilitates payments that often involve large amounts. I must also take into account that many similar payment instructions it receives will be entirely legitimate. But in this case, I think there was enough about payment 1 that should have led Revolut to suspect Ms N could be at risk of harm from fraud.

The payment was for a large sum and Revolut knew it was going to a cryptocurrency provider, which was out of character with previous activity on the account. Losses to cryptocurrency fraud reached record levels in 2022 and, by the end of that year, many high street banks had placed restrictions or additional friction on cryptocurrency purchases owing to the elevated fraud risk. So, by the time this payment took place, I think that Revolut should have recognised that payments to cryptocurrency carried a higher risk of being associated with fraud.

It appears Revolut recognised this risk and it says the payment process was interrupted with Ms N being required to answer some questions. Its records indicate she was asked about the purpose of the payment, to which she answered that she was investing, and if anyone was guiding or prompting her, to which she replied '*no*'. Based on these answers, Revolut says it showed a number of warnings outlining some of the common features of investment scams before Ms N confirmed that she wished to proceed with the payment.

In view of the risks the payment presented, I'm satisfied this was a proportionate intervention. While the warning didn't necessarily relate to the exact type of scam that was taking place, I don't think Revolut could have been expected to identify that based on the information it had.

In view of the information it already had, and given the amount involved was significantly lower, I don't think any further intervention was required in connection with payment 2 and I'm satisfied Revolut was entitled to process this in line with Ms N's instruction.

### *Payments 3 to 8*

Revolut has confirmed it didn't ask further questions about or otherwise attempt to intervene in these payments. I accept it was entitled to think the associated risks were lower as they were going to another EMI account in Ms N's own name. But the large amounts involved, the frequency of the payments, and the fact it had declined multiple payments to cryptocurrency exchanges immediately before this sequence of payments began, should have alerted Revolut to the possibility of fraud at some point in my view.

In view of the risks presented by these payments, I think a proportionate intervention would have been for Revolut to contact Ms N to find out more about the surrounding circumstances via its in-app chat function.

I've thought very carefully about whether this type of intervention would have been successful in stopping the scam. But on balance, it's my view that Revolut wouldn't have been able to uncover what was really going on and that Ms N would have wanted to continue with the payments anyway.

In reaching this conclusion, I'm conscious of the fact that Revolut did intervene in the way I've described before payment 9 was debited from Ms N's account. The record of the in-app chat shows she was asked what the money was for and whether she was being guided. Ms N again answered that she was making an investment and that she wasn't being prompted.

So, Ms N was given the opportunity to explain that she'd been contacted by someone offering to help her reclaim lost cryptocurrency and who'd guided her through the process of setting up the accounts she needed to make payments. Had she done so, I'd have expected Revolut to be able to identify this was a scam and to have provided an appropriate warning. But because Ms N didn't provide accurate information, it wasn't able to do this.

When she later reported the scam to Revolut, Ms N provided screen shots of her chat with the scammer and this shows she was coached to hide what was really going on. At one point the scammer was clear that she should say she was doing everything herself if asked and it appears Ms N followed this advice. The chats with the scammer also appear to show she took out loans to fund these payments and was encouraged to provide the lenders with inaccurate information about the reasons for borrowing to ensure it was approved.

Ms N appears to have been firmly under the spell of the scammer at this point and was following advice that was designed to prevent Revolut from being able to recognise the scam. In the circumstances, and while I think Revolut should have done more to find out about these payments, I don't think further intervention would ultimately have been successful in uncovering the scam and stopping her from going ahead.

### *Payment 9*

As I've described, Revolut did contact Ms N using its in-app chat prior to processing this payment. But this intervention wasn't successful in uncovering and stopping the scam, primarily because Ms N didn't provide it with accurate information about what was really going on. And I think her chats with the scammer demonstrate she was being coached to answer Revolut's questions in the way she did and I don't think further questioning would have been successful in uncovering the scam.

### *Recovery of funds*

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

I understand Ms N first notified Revolut of the fraud on 6 May 2024, some time after the last of the payments was made. 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. So I don't think anything that Revolut could have done differently would likely to have led to her money being recovered successfully after this period of time.

In any event, all the payments went to legitimate accounts in Ms N's own name, from where it was diverted to the scammers. If Revolut tried to recover the funds, it could only have tried to do so from Ms N's own accounts and it appears all the money had already been moved on and, if not, anything that was left would still have been available to her to access.

### *In conclusion*

I want to be clear that it's not my intention to suggest Ms N 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.

I recognise Ms N 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 Ms N to accept or reject my decision before 7 May 2025.

James Biles  
**Ombudsman**