

The complaint

Mr L complains about the actions of Revolut Ltd when he lost money to a scam.

Mr L is being represented by a claims management company but for ease I'll only refer to Mr L.

What happened

The detailed background to this complaint is well known to both parties. So, I'll only provide a brief overview of some of the key events here.

In late July 2023 Mr L was looking for investment opportunities on social media when he came across a merchant. He did some research online and was happy with the reviews he found. He left his contact details with the merchant and received a call from a representative. He was advised to create an account with Revolut and decided to take out some loans to help fund the investment opportunity. Mr L then made the following payments from his Revolut account;

Date	Type of transaction	Merchant	Amount
07 August 2023	Faster Payment	Crypto exchange	£10
07 August 2023	Faster Payment	Crypto exchange	£2,929
31 August 2023	Faster Payment	Crypto exchange	£14,500
11 September 2023	Faster Payment	Crypto exchange	£15,000
27 September 2023	Faster Payment	Crypto exchange	£4,027
29 September 2023	Faster Payment	Crypto exchange	£10,702
17 October 2023	Faster Payment	Crypto exchange	£3,302
		Total loss	£50,470

After Mr L was continually being told by the merchant to pay extra fees to make any withdrawals, he realised he had been scammed.

Mr L raised a claim with Revolut but Revolut said it wasn't going to return his money here because it hadn't done anything wrong. Unhappy with this response Mr L brought his complaint to this service.

Our investigator didn't think the complaint should be upheld. She said that Revolut stopped two of the payments and asked Mr L some questions about why he was making them. But because Mr L didn't provide accurate answers Revolut couldn't provide the correct warnings. Mr L disagreed and has asked for an Ombudsman's review. He said that Revolut should've asked more probing questions about why he was making payments to a crypto exchange and who was involved. He added that customers who aren't familiar with the common signs of a scam wouldn't take notice of the warnings Revolut provided and that the warnings provided were ineffective.

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 conclusion as our investigator. And for largely the same reasons. I'm sorry to hear that Mr L has been the victim of a cruel scam. I know he feels strongly about this complaint, and this will come as a disappointment to him, so I'll explain why.

I've read and considered the whole file. But I'll concentrate my comments on what I think is relevant. If I don't mention any specific point, it's not because I've failed to take it on board and think about it, but because I don't think I need to comment on it to reach what I think is a fair and reasonable outcome.

It is common ground that Mr L authorised the scam payments of around £50,470. I accept that these were authorised payments even though Mr L was the victim of a scam. So, although it wasn't his intention to pay money to the scammers, under the Payment Services Regulations 2017 (PSRs) and the terms of his account, Mr L is presumed liable for the loss in the first instance.

However, taking into account the law, regulatory rules and guidance, relevant codes of practice and good industry practice, there are circumstances where it might be appropriate for Revolut to take additional steps or make additional checks before processing a payment in order to help protect customers from the possibility of financial harm from fraud.

Revolut's first obligation is to follow the instructions that Mr L provides. But if those instructions are sufficiently unusual or uncharacteristic for the account, I'd expect Revolut to intervene and to ask their customer more about the intended transaction before processing it. I'd also expect Revolut to provide suitable warnings about common scams to help their customers make an informed decision as to whether to continue with the payment. There might also be cases where it's appropriate for Revolut to refuse to follow the instruction if there are good grounds to believe it is being made as a result of a fraud or scam.

Revolut intervened on payments two and three here and asked Mr L some questions about why he was making them. Mr L has argued that Revolut failed to ask any probing questions about the payments which specifically included questions about investing such as who he was trading with, how did he find out about the merchant, profits and losses and research he had completed into the investment.

Mr L has confirmed that he was being coached by the scammers here on what to say to Revolut which is why he didn't select the correct payment options. I've seen here that Revolut asked Mr L why the money was being transferred but instead of an 'investment', which was an option, he chose money transfer. He then confirmed that he was transferring money to his own account and that he hadn't been guided by anyone to open a Revolut account after seeing an investment opportunity on social media. I also note when Revolut intervened on 31 August 2023 he said he was exchanging money from pounds into dollars for his own personal use – which matched the account opening reason.

As result of Mr L's inaccurate answers, Revolut wasn't able to ask any questions about investing and the potential merchant involved. Mr L said he was doing this himself, no one was guiding him and he was making a money transfer. Ultimately, if Mr L had said he was sending the money as part of an investment then Revolut's further questions would've been different.

I've noted that when Mr L took out one of the loans to fund the scam, he received a call from the loan company. But when he was asked why he was taking out the loan he said it was for

consolidation for two credit cards and interest on a car loan. So, he didn't provide the correct reason for why he needed the money.

As a result of the above, I'm not satisfied that Revolut could've reasonably been expected to do anything more here and even if it did it wouldn't have made a difference based upon the answers Mr L was giving. It stopped the two payments reasonably and asked for the payment reasons but because of the answers it was provided it provided warnings about the answers it was given. Mr L's actions when speaking to Revolut and the loan company also persuade me that he was under the influence of the scammers here which is why he failed to provide the correct answers. Despite being aware he was making an investment (especially given that he was researching for Investments) he didn't tell Revolut that was the reason for the payments or opening the Revolut account.

I've considered whether Revolut acted reasonably when it was made aware of the scam. Having done so, I'm satisfied it wasn't possible for Revolut to retrieve any of Mr L's funds here because he's confirmed these were moved onto the scammers.

I appreciate this will come as a disappointment to Mr L, and I'm sorry to hear that he has been the victim of a cruel scam. But for the reasons I've explained I can't reasonably find Revolut at fault for his loss here.

My final decision

For the reasons given above, I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 14 April 2025.

Mark Dobson
Ombudsman