

The complaint

Mr P complains that Revolut Ltd ('Revolut') won't refund the money he says was lost as the result of an investment scam.

What happened

In March 2023, Mr P saw an investment on a social media site for cryptocurrency market trading, which was promoted by a high-profile UK celebrity. Mr P was interested so he clicked the link and was taken to a website for a company who I'll refer to as X. Mr P left his contact details and received a call from a "financial advisor" who worked for X, I'll refer to the caller as D. Mr P says D shared certificates of his qualifications as a trader and they spent around one hour on the phone, during which time D answered complex questions that Mr P asked with ease.

Mr P says he searched online for information about X and found positive reviews.

Mr P was interested in investing and was told that he could start with as little as £250 and would need to complete "know your customer" and anti-money laundering checks. In order to help him, D got Mr P to download a screen sharing application. Mr P had to set up an account with X as well as a separate cryptocurrency wallet.

These are the payments that Mr P made from his Revolut account.

Date	Pmt no	Details of transaction	Amount
1.3.2023		Revolut account opened	
6.3.2023	1	Card Payment to V – a cryptocurrency exchange	£3,965.00
14.3.2023		<i>Credit received from B – a cryptocurrency exchange</i>	<i>£15.70 cr</i>
16.3.2023	2	Card payment to B – a cryptocurrency exchange	£2,000.00
24.3.2023	3	Card payment to M – a cryptocurrency exchange	£4,200.00
27.3.2023	4	Card payment to B – a cryptocurrency exchange	£899.03
31.3.2023	5	Card payment to B – a cryptocurrency exchange	£590.00
12.4.2023	6	Card payment to B – a cryptocurrency exchange	£2,000.00
12.4.2023	7	Card payment to B – a cryptocurrency exchange	£3,250.00
18.4.2023		Multiple card payments to B were declined and Mr P's account was restricted by Revolut	
20.4.2023	8	Card payment to M – a cryptocurrency exchange	£4,026.42
20.4.2023	9	Card payment to B – a cryptocurrency exchange	£3,617.22
20.4.2023	10	Card payment to B – a cryptocurrency exchange	£2,973.61
21.4.2023	11	Card payment to B – a cryptocurrency exchange	£6,058.66
21.4.2023	12	Card payment to B – a cryptocurrency exchange	£4,846.14
28.4.2023	13	Card payment to B – a cryptocurrency exchange	£7,232.17
11.5.2023	14	Card payment to B – a cryptocurrency exchange	£9,145.13
17.5.2023	15	Card payment to B – a cryptocurrency exchange	£4,976.32
18.5.2023	16	Card payment to B – a cryptocurrency exchange	£9,897.52
19.5.2023	17	Card payment to B – a cryptocurrency exchange	£7,887.85
26.5.2023	18	Card payment to B – a cryptocurrency exchange	£9,896.84

30.5.2023	19	Card payment to B – a cryptocurrency exchange	£9,918.14
31.5.2023	20	Card payment to B – a cryptocurrency exchange	£9,458.47
2.6.2023	21	Card payment to B – a cryptocurrency exchange	£4,016.98
2.6.2023	22	Card payment to B – a cryptocurrency exchange	£4,017.64
2.6.2023	23	Card payment to B – a cryptocurrency exchange	£4,019.39
2.6.2023	24	Card payment to B – a cryptocurrency exchange	£3,000.00
5.6.2023	25	Card payment to B – a cryptocurrency exchange	£14,229.00
5.6.2023	26	Card payment to B – a cryptocurrency exchange	£5,000.00
5.6.2023	27	Card payment to T – a cryptocurrency exchange	£6,214.41
5.6.2023	28	Card payment to B – a cryptocurrency exchange	£4,361.13
6.6.2023	29	Card payment to B – a cryptocurrency exchange	£5,361.13
6.6.2023	30	Card payment to B – a cryptocurrency exchange	£5,252.61
6.6.2023	31	Card payment to T – a cryptocurrency exchange	£6,216.96
6.6.2023	32	Card payment to B – a cryptocurrency exchange	£3,000.00
6.6.2023	33	Card payment to B – a cryptocurrency exchange	£5,348.97
6.6.2023	34	Card payment to M – a cryptocurrency exchange	£1,983.00

Mr P says he was pressured to continue investing more funds, as the more he invested the higher his profits would be, so he continued to make payments in April.

In May 2023, Mr P tried to withdraw funds from his trading account twice. Each time he was contacted by a third-party cryptocurrency exchange, who told him that there was an issue and asked him to make a payment to facilitate the withdrawal. Each time the funds ended up back in his trading account with X, and no funds were paid out to Mr P.

Mr P says D continued to apply pressure to him to invest further funds.

The scam was uncovered when Mr P tried to make a withdrawal again and was told he had to make a payment of £21,000, which he didn't think was reasonable.

In August 2023, Mr P reported the scam to Revolut through a professional representative. Revolut said they'd assigned the chargeback request to a specialist team who were investigating, although one payment wasn't suitable for chargeback (payment one in the table above), as it was a money transfer.

Mr P wasn't happy with Revolut's response, so he brought a complaint to our service.

An investigator looked into Mr P's complaint but didn't uphold it. The investigator felt that Revolut should've intervened when Mr P made the first payment, based on the value and it being identifiably cryptocurrency related. However, the investigator didn't think that intervention by Revolut would've prevented Mr P's loss, based on their intervention on 18 April. The investigator said Mr P had misled Revolut when answering their questions and had ignored warnings they gave him.

Mr P disagreed with the investigator's opinion and raised the following points:

- He didn't mislead Revolut about the purpose of the payment and any warning Revolut gave him didn't address a cryptocurrency investment scam.
- While Mr P became frustrated with Revolut during their in-app chat on 18 April, this was due to being transferred to seven different people before he reached someone who could give him the correct information.
- Had Revolut passed Mr P to a fraud expert and provided a better intervention the scam would've been uncovered.

- Revolut has the right under the terms and conditions of a customer's account to freeze payments and refuse to make them. As Revolut were aware that Mr P was investing in cryptocurrency they shouldn't have allowed the payments to go through.

As the case couldn't be resolved informally, it was passed to me to 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.

I'm really sorry that Mr P has lost such a significant amount of money, which represented all of his retirement savings as well as funds he had borrowed. This was undoubtedly a cruel scam that has left him in a vulnerable financial position.

But, having carefully considered the evidence I've reached the same answer as the investigator. I'll explain why.

In deciding what's fair and reasonable, I am required to take into account relevant law and regulations, regulators' rules, guidance and standards, and codes of practice; and, where appropriate, I must also take into account what I consider to have been good industry practice at the time.

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.

However, Revolut should have been on the 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. And, 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 – as in practice Revolut sometimes does.

Did Revolut intervene?

Revolut intervened on 18 April, when Mr P attempted to make multiple payments which were blocked. Mr P's account was frozen as a result, and he was passed to a specialist through their in-app chat to discuss the payments.

Should Revolut have intervened?

I would've expected Revolut to have intervened on the first payment that Mr P made. This was a newly opened account and I realise that Revolut has to find a balance between identifying potentially concerning payments and taking appropriate action, while ensuring minimal disruption to legitimate payments.

But, by January 2023, Revolut would've been aware of the increased frequency of cryptocurrency scams and the increased risk posed by payments that are obviously made in relation to cryptocurrency. In response, I would've expected Revolut to provide a tailored warning that explained how cryptocurrency investment scams work and how a customer can protect themselves from falling victim to one.

I say this because the first payment was for over £3,000 and it was identifiably related to a cryptocurrency purchase.

Cryptocurrency investment scams were the most prevalent cryptocurrency scam at the time Mr P made the payment in March 2023, which is why I think the warning should've been tailored to this scenario.

I also think Revolut should've further intervened when Mr P had the failed payments on 18 April 2023 – which they did. I say this based on the number of high value payments he attempted to make within a short period of time. I think intervention at this point should've involved Mr P being transferred to a Revolut specialist to discuss the payments he was making.

I wouldn't have expected any further intervention by Revolut after this point, as the rest of the payments were largely in line with the existing payment pattern. So weren't so unusual or out of character that further intervention was required.

The intervention by Revolut and whether better intervention would've made a difference

Revolut should have provided a tailored written warning that focused on cryptocurrency investment scams when Mr P made his first payment. I'd expect this warning to highlight common themes for investment scams which would include finding investment opportunities on social media, investments being promoted by high profile people, unrealistic returns being promised, returns being guaranteed, and consumers being asked to download screen sharing software.

Mr P hasn't shared messages with D from the start of the scam so it's hard to know exactly what he was told about the investment and the returns. However, Mr P says he searched online and found positive reviews about X. Mr P also thought that adverts on the social media site, where he found X, would be vetted, and believed that the social media company were reputable. Mr P also says that he was required to provide identification and meet requirements for anti-money laundering checks by X, which reinforced his belief that he was dealing with a genuine company.

I think it's possible that some of the elements of the warning might've resonated with Mr P, but I'm not satisfied that I can safely conclude that it would have prevented Mr P from making the payment or further payments. I'll explain why.

When Revolut intervened on 18 April 2023, they referred Mr P to a specialist through their in-app chat to discuss the payments he was making. During this interaction Mr P was asked questions and was provided with warnings.

Mr P was asked whether he had downloaded any screen sharing applications, the example of which was the app he had downloaded. He was also asked the purpose of the payment and who he was dealing with. Mr P said he had a screen sharing app for work purposes, and that he was dealing with X.

Revolut clarified with Mr P whether anyone had asked him to download the screen sharing app or whether it was only used for work – Mr P said it was only for work.

Revolut asked follow-up questions including whether anyone was pressuring him to act quickly at the risk of missing out on an investment, whether he'd been promised returns that were too good to be true, whether he'd conducted any research and whether he understood what he was investing in. They also asked whether Mr P had been contacted or encouraged to invest by someone he didn't know or had met online recently.

Mr P told Revolut “I have not been coerced into this transaction. The account with B is in my name and only I have access. The trading company is X and I have been with them for around six months. I did all of my own research before trading with them.”

Revolut probed further and asked if Mr P found X from his own research or whether they contacted him first. Mr P said it was through his own research.

Revolut gave Mr P a warning “Please be aware that scammers are using increasingly sophisticated techniques to gather personal information and convince customers to transfer funds in complex scams. If you have any concerns then do not proceed and let us know, we will be here to further assist you”.

Revolut asked some follow up questions including how he got to know about X, whether it was on social media and what website it was on. Mr P said that X was recommended by his friend who had traded with them.

Revolut provided a further warning “You mentioned you have installed a screen sharing application. Remote access is an additional step taken by hackers/fraudsters for scams and frauds.” It was recommended that Mr P uninstall it.

Mr P was provided with a final warning which said “Please take some minutes to read some red flags that can indicate that you are being a victim of fraud. You’re contacted out of the blue by phone, email or social media about an investment opportunity. You’re offered a high return on your investments with apparently little or no risk. You cannot access your funds under the investment platform that was provided to you (make movements or withdraw the profits). You’re requested to open an account under a cryptocurrency investment platform [example provided was B the cryptocurrency exchange Mr P was using] and to send the funds to that account. You’re requested to provide sensitive and personal information, such as your driving licence, selfie, identification document, among others. You’re asked to instal screen sharing applications to “help” you with the movements. You are being advised on how to reply to us on chat.”

Mr P replied that the had read and understood the warning.

Most of the questions that Revolut asked and the points they highlighted in their warnings should have resonated with Mr P as they were similar to the scam he was falling victim to. Also, Mr P says he was coached by the scammer in what to tell the business, so he was asked to lie. This, in itself, should be concerning, but it was also built into the warning that Revolut gave him.

If the questions and the warnings Revolut gave Mr P during a real time interaction through their in-app chat didn’t resonate with Mr P, cause him to have concerns or do further checks, then I can’t fairly conclude that an on-screen warning would’ve prevented him from making the payments.

In this case, Revolut asked a number of questions, probed into the answers that Mr P gave them and also gave warnings that highlighted common features of cryptocurrency investment scams.

Based on the intervention Mr P had with Revolut on 18 April, I’m not satisfied I can fairly say that Revolut should’ve uncovered the scam or that better intervention would’ve made a difference. On that basis, I can’t fairly hold them liable for Mr P’s loss or ask them to refund him.

Mr P says that Revolut shouldn't have allowed the payments to go through as they were related to cryptocurrency. However, not all cryptocurrency payments or transactions are related to a scam. The cryptocurrency exchange that Mr P was paying was genuine and I'm not satisfied that based on the information Revolut had, it would've been reasonable for it to refuse to allow the payments.

It's worth noting that during the in-app chat with Revolut, Mr P became increasingly frustrated, which I can understand with having to speak to several different people before being put through to the correct person to remove the restriction from his account. But, Mr P made several comments that he would like Revolut to just return the money that he transferred into his account, back to the source bank. Based on Mr P's interaction with Revolut, I think it's highly likely that if Revolut hadn't removed the restriction, Mr P may have found another account or way to continue making the payments. He was that adamant that it was his money and that Revolut had no right to not allow his payments to go through. But regardless, for the reasons already given, I'm not satisfied that Revolut could reasonably have refused to allow Mr P's payments to go through based on the information available to them at the time.

Recovery of funds

As Mr P made the card payments to purchase cryptocurrency which was paid into an account in his own name, before being sent to a wallet controlled by the scammer, Revolut couldn't have recovered Mr P's funds. Any funds left in his cryptocurrency wallet could've been recovered by Mr P.

I'm also satisfied that Revolut acted fairly in not raising a chargeback for Mr P. Mr P authorised these card payments, albeit he did so not realising he was the victim of a scam. And, the merchant (B), provided the service/goods paid for (cryptocurrency). So, a chargeback wouldn't be successful in these circumstances.

Recovery of funds and chargeback only looks at the beneficiary/merchant, in this case B/M/V/T, not the end destination of the funds.

I realise that Mr P is going to be extremely disappointed, based on the serious financial impact this scam has had on him. But, for the reasons given above, I'm not satisfied that I can fairly hold Revolut liable for his loss or ask them to refund him.

My final decision

My final decision is that I don't uphold this complaint against Revolut Ltd.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 19 March 2025.

Lisa Lowe
Ombudsman