

The complaint

Ms H complains that Revolut Ltd did not reimburse the funds she lost to a scam.

What happened

Ms H found an investment opportunity on social media and left her contact details for a call back. She began speaking with a representative from the investment company I'll call 'V' for the purposes of this decision. Unfortunately, this turned out to be a scam.

Ms H was given access to a fake trading platform, was told to download screen sharing software and was guided in opening a Revolut account and cryptocurrency wallet to begin trading. She started with small amounts and was soon guided to take out multiple loans in her name that she credited to her current account with a third-party provider I'll call 'S'. She then transferred the funds from S to her Revolut account before either purchasing cryptocurrency or sending the funds in euros to businesses as instructed by the scammer. She made the following payments from her Revolut account:

Payment #	Date	Amount	Payee
1	09/11/2023	£249	Crypto wallet
2	15/11/2023	€10,561	International business
3	20/11/2023	£9,449	Failed payment to crypto wallet
4	21/11/2023	€10,600	International business
5	08/12/2023	€10,600	International business
6	08/12/2023	£399	Crypto wallet

Following these transactions, the scammer slowly stopped responding to Ms H's messages until all contact ceased. It was at that point she realised she had been the victim of a scam. She raised a scam claim with Revolut in January 2024 who issued a final response letter explaining they had provided Ms H with warnings for the payments, so they did not agree to reimburse her. They also confirmed they had attempted to recover the funds from the beneficiary account but had been unsuccessful.

Ms H referred the complaint to our service and our Investigator looked into it. They explained that they felt the interventions carried out by Revolut on the payments were proportionate to the risk level they posed. While they felt Revolut could have probed more when carrying out a staff intervention on the £9,449 payment on 20 November, they did not think a better intervention would have uncovered the scam. This is because there were multiple instances where Ms H misled both Revolut and S about the true purpose of the payments she was making, as well as the reasons she gave for taking out the loans used to fund the scam. With this in mind, they did not think Revolut needed to reimburse Ms H.

Ms H's representative disagreed with the findings and provided a lengthy response. In summary, they felt the interventions by S for the payments into the Revolut account were not effective so should not be used as a metric for whether a better intervention from Revolut would have uncovered the scam. They also felt the pattern of payments was suspicious so Revolut's checks should have been more detailed, and if they had been they felt the scam

could have been uncovered.

As an informal agreement could not be reached, the complaint has been passed to me for 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.

In deciding what's fair and reasonable in all the circumstances of a complaint, I'm required to take into account relevant: law and regulations; regulators' rules, guidance and standards; codes of practice; and, where appropriate, what I consider to be good industry practice at the time.

Broadly speaking, the starting position in law is that an account provider is expected to process payments and withdrawals that a customer authorises it to make, in accordance with the terms and conditions of the account. And a customer will then be responsible for the transactions that they have authorised.

It's not in dispute here that Ms H authorised the payments in question as she believed they were part of a legitimate investment. So, while I recognise that she didn't intend the money to go to scammers, the starting position in law is that Revolut was obliged to follow Ms H's instruction and process the payments. Because of this, she is not automatically entitled to a refund.

The regulatory landscape, along with good industry practice, also sets out a requirement for account providers to protect their customers from fraud and financial harm. And this includes monitoring accounts to look out for activity that might suggest a customer was at risk of financial harm, intervening in unusual or out of character transactions and trying to prevent customers falling victims to scams. So, I've also thought about whether Revolut did enough to try to keep Ms H's account safe.

I've firstly considered the payments themselves and whether they were unusual enough to warrant intervention from Revolut. In doing so, I have noted that this was a new account Ms H opened as part of the scam, so there was no genuine account activity that Revolut could compare the scam payments to. And that Revolut is an electronic Money Institute and not a bank, meaning people are more likely to use these accounts for higher value or even international payments.

The initial payment going to a cryptocurrency provider was stopped for some additional questions before they were released. It has previously been said Ms H selected the payment purpose as 'safe account' which is a known type of scam. However, it should be noted that she selected 'transfer to my other account', which is slightly different. As the value of this payment was particularly low, I think a general warning about making payments to other accounts in the consumer's name was a proportionate intervention in the circumstances. And I think it is reasonable that Revolut did not probe further in relation to this payment.

Payment 2 was a higher value payment made in Euros. Ms H's representative has said Revolut should have carried out a detailed and probing intervention on this payment due to its value and the fact it was an international transfer. However, in the circumstances I think the level of intervention was proportionate to the risk level the payment posed. I'll explain why in more detail.

In this particular case, the account was newly opened, and this is the first payment made

from the Euro account Ms H held. I appreciate this was an international payment, but it should be noted that customers of Revolut are able to open accounts in various currencies to make transfers in those currencies. So, I do not think the fact some of the payments were made in Euros means they were inherently higher risk.

For a payment of this value, I would have expected Revolut to take steps to find out the purpose of the payment, and to provide some warning relevant to that purpose. In order for these to be effective, they require consumers to provide accurate answers to their automated questions. For payment two, Ms H was asked what the purpose of the payment was, and she selected 'buying/renting goods and services', instead of the correct payment purpose of investing. As a result, the follow up questions she was asked and the warnings she was given were related to goods purchase related scams. As Ms H selected that she was not being assisted on the questions she was being asked, that she was purchasing advertising which is relatively low risk, that it was a reasonable price to pay and that she knew the seller, I don't think there was cause for Revolut to refer the payment for further checks.

Payment three was deemed to be high risk by Revolut and was referred for a staff intervention on the live chat, and I think this was a reasonable response to the risk level the payment posed, and this is what I would have recommended in the circumstances. I can see that Ms H's representatives feel she was honest with her answers and that a better intervention would have revealed the scam.

I've thought about this carefully, and I agree Revolut could have gone further in their questions with Ms H. It is not possible for me to know exactly what would have been discussed or how Ms H would have answered had more probing questions been posed, so I have to consider all of the information available to me on file to come to an outcome I feel is more likely in the circumstances.

On balance, I think Revolut could have asked Ms H about what she was investing in and how she found it, but on balance I think it is unlikely she would have been open and honest in her answers, based on how she had answered previous questions with various financial institution about payments and funds connected to the scam.

I say this because when asked about the payments from her account with S to Revolut, Ms H said they were for Black Friday purchases and a holiday. While I appreciate Ms H's representatives do not think these interventions by S were effective, this does not change the fact Ms H did not reveal the true purpose of the payments, even when she was specifically asked if they were related in any way to cryptocurrency investments. She also denied having any help with the payments or that she was guided on what to say, even though she had specifically been guided to take the loans and open the Revolut account by the scammer and appears to have been heavily coached on what to say.

I appreciate Ms H has said she was not told what to say by the scammer, but the chat I have seen between herself and the scammer does not support this. It should be noted I do not have all of the communications between Ms H and V, as there was a significant number of telephone calls between them which I do not have access to.

The chat shows that on 15 November 2023, when Ms H had four different phone calls with S about a transfer that she attempted to her Revolut account, she was speaking with the scammer. They let Ms H know that they were available if she needed help with the interventions and commented that she knew 'how to answer' S's questions, which suggests she had been coached on what to say to S during these calls.

Later, on the same day, when discussing one of the loans Ms H had been instructed to take

out, she told the scammer that the loan provider asked her if she had any children under 18 years of age, which she said no to. However, she went on to say that she was concerned because she has a trustee account with S for her son, but the scammer assured her that her account with S was not connected to the loan provider. This again suggests to me that Ms H was guided by the scammer to hide her true circumstances on the loan applications to ensure they were accepted.

On the day after payment three was stopped for an in-app chat by Revolut they got in contact with Ms H to ask her how she decided which crypto platform to use. I can see that when she received this message, she contacted the scammer to let them know. Following this, the scammer arranged to call Ms H which they did so, and a few minutes after this call began, Ms H began to answer Revolut's questions on the app. She has confirmed the scammer was the one answering the questions, so I think it is very unlikely they would have revealed the true nature of the investment or who was involved so as to avoid detection by Revolut.

With all of this in mind, while I do accept Revolut could have carried out a better intervention, I think it is unlikely the scam would have been uncovered in the circumstances. I think the evidence suggests Ms H was willing to follow the guidance of the scammer and answer the questions in such a way as to avoid details of the investment being revealed, including who she was investing with.

Payment four was similar to payment two as it was a similar value and was also in Euros, though it was to a different company. Overall, I think it therefore posed a similar risk value meaning I think the same general intervention was warranted for both payments. While there had been an attempted payment to cryptocurrency in Pounds the day before, this timed out so was unsuccessful in the end, so I do not think this raises the overall risk level of payment four.

I can see Ms H was again asked some automated questions about the purpose of the payment and she again selected 'buying/renting goods or services'. I don't think her answers should reasonably have raised concerns with Revolut as she said the product was reasonably priced, had seen proof of ownership and she knew the seller. She was again provided with general warnings about purchase scams, which is what I would have expected Revolut to do. As Ms H opted to continue with the payment following these, the payment was processed and I think this was reasonable.

As payment five was to the same payee as payment four and it was of the same value, I think it is reasonable no additional checks were carried out. This was now an established payee and as there was no cause for concern on the first payment, I see no reason for Revolut to also carry out additional checks on this one.

The final payment to Ms H's crypto wallet was also flagged for additional checks, and just like payment one she selected 'transferring to my other account'. As part of this, she was asked if she was told to download screensharing software, which she selected 'no' to – even though she had been instructed to do so by the scammer. And she confirmed the funds were going to an existing account, so again I do not think any of her answers gave Revolut cause for concern that something may be wrong.

Ms H's representatives have argued that the overall pattern of the payments was unusual, as there were multiple higher value payments to various payees in a short period of time. While I think these payments were relatively high value, I don't think the pattern of the payments was overly indicative of a scam. The payments were spread out over a month and the majority of the higher value payments were not to merchants linked to cryptocurrency. I therefore do not think it would have been clear that Ms H was falling victim to a

cryptocurrency investment scam. And as explained above, I think Ms H was being heavily guided by the scammer on what to say to various financial institutions to ensure the payments went through, so I think it would have been unlikely that Revolut could reasonably have uncovered the scam with better interventions.

I can see that once Revolut was aware of the scam they took steps to try and recover Ms H's funds from the various beneficiary banks. Unfortunately, they were not successful as either the beneficiary bank did not respond, or the beneficiary account had been closed. I don't think they could reasonably have done more in the circumstances to try and recover Ms H's funds.

I understand that this will be very disappointing for Ms H, and I recognise that she has been the victim of a cruel and manipulative scam. But I do not consider that it would be fair to hold Revolut responsible for her loss, so I won't be asking it to refund any of that loss to her.

My final decision

I do not uphold Ms H's complaint against Revolut Ltd.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms H to accept or reject my decision before 21 March 2025.

Rebecca Norris
Ombudsman