

The complaint

Mr B complains about Revolut Ltd not refunding several payments he says he made and lost to a scam.

What happened

The background to this complaint is well-known to both parties, so I won't repeat it in detail here. But in summary and based on the submissions of both parties, I understand it to be as follows.

Mr B complains that from November 2023 he sent several payments to what he thought was a legitimate investment.

Payment 1	28 November 2023	£5,974.75
Payment 2	30 November 2023	£5,925.42
Payment 3	30 November 2023	£6,009.54
Payment 4	30 November 2023	£4,759.45
Payment 5	05 December 2023	£4,343.58
Payment 6	06 December 2023	£5,958.05
Payment 7	07 December 2023	£2,060.92
Payment 8	08 December 2023	£6,707.07
Payment 9	20 December 2023	£9,887.52
Payment 10	22 December 2023	£10,667.18
Payment 11	05 January 2024	£10,452.24
		£72,745.72

Mr B says that he received an unsolicited call from a company that told him that they were an extension of Revolut and that they could see that he had placed trades from his Revolut account before. The scammer offered Mr B better rates and took Mr B through an onboarding process which Mr B says seemed legitimate.

Mr B says he started making payments, but there were regular threats from the scammers that if he didn't invest more, he would lose all of his investments. Mr B said that towards the end of the scam he was told he had to make a final payment of £20,000 and he would receive the payments back after they had received the final payment.

Mr B said that he contacted his daughter for help, as he was having difficulty withdrawing his invested funds, and after explaining the situation to her, he realised that he had been scammed. So, Mr B logged a complaint with Revolut.

Revolut looked into the complaint but didn't uphold it. Revolut said it gave Mr B several warnings, including speaking to Mr B on its live chat function, but Mr B made the payments

anyway. It went on to say that its recovery attempts had been unsuccessful.

As Mr B remained unhappy, he brought his complaint to our service.

Our investigator looked into the complaint but didn't uphold it. Our investigator didn't think on balance Revolut could've prevented the losses. She found Mr B was presented with warnings, but also spoke to an advisor at Revolut and didn't give accurate answers to their questions – due to Mr B being coached by the scammer on how to answer.

Mr B via his representative responded to the investigators view. In summary they didn't agree that the intervention by the Revolut advisor had been sufficient.

As Mr B didn't agree with the investigator's view, the complaint's been passed to me to decide.

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 aware that I've summarised this complaint briefly, in less detail than has been provided, and in my own words. No discourtesy is intended by this. Instead, I've focused on what I think is the heart of the matter here. If there's something I've not mentioned, it isn't because I've ignored it. I'm satisfied I don't need to comment on every individual point or argument to be able to reach what I think is the right outcome. Our rules allow me to do this. This simply reflects the informal nature of our service as a free alternative to the courts.

I don't doubt Mr B has been the victim of a scam here – he has lost a large sum of money and has my sympathy for this. However, just because a scam has occurred, it does not mean Mr B is automatically entitled to recompense by Revolut. It would only be fair for me to tell Revolut to reimburse Mr B for his loss (or a proportion of it) if: I thought Revolut reasonably ought to have prevented all (or some of) the payments Mr B made, or Revolut hindered the recovery of the payments Mr B made – whilst ultimately being satisfied that such an outcome was fair and reasonable for me to reach.

I've thought carefully about whether Revolut treated Mr B fairly and reasonably in its dealings with him, when he made the payments and when he reported the scam, or whether it should have done more than it did. Having done so, I've decided to not uphold Mr B's complaint. I know this will come as a disappointment to Mr B and so I want to explain why I've reached the decision I have.

I have kept in mind that Mr B made the payments himself and the starting position is that Revolut should follow its customer's instructions. So, under the Payment Services Regulations 2017 (PSR 2017) he is presumed liable for the loss in the first instance. I appreciate that Mr B did not intend for his money to ultimately go to fraudsters – but he did authorise these payments to take place. However, there are some situations when a bank should have had a closer look at the wider circumstances surrounding a transaction before allowing it to be made.

Considering the 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 - Revolut should fairly and reasonably:

- Have been monitoring accounts and any payments made or received to counter various risks, including anti-money laundering, countering the financing of terrorism, and 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 payment service providers are generally more familiar with than the average customer.
- In some circumstances, irrespective of the payment channel used, have taken additional steps, or make additional checks, before processing a payment, or in some cases decline to make a payment altogether, to help protect customers from the possibility of financial harm from fraud.
- Have been mindful of – among other things – common scam scenarios, how the fraudulent practices are evolving (including for example the common use of multistage 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.

So, I've thought about whether the transactions should have highlighted to Revolut that Mr B might be at a heightened risk of financial harm due to fraud or a scam.

The first successful payment Mr B made was of a value that I think should've concerned Revolut. Although Mr B had put buying crypto as one of the reasons he opened the account and had made a small number of crypto purchases before, this payment was much larger than anything that had left his account previously. So, I would have expected Revolut to have been concerned Mr B was at risk of financial harm, which it was.

Revolut has told us that it stopped a payment before the first completed payment, and took Mr B into its live chat function, this was after Mr B had selected the payment purpose as "buying digital services". From here it asked Mr B several questions about the payments.

As well as not providing an accurate response to the payment purpose, Mr B told the Revolut advisor that he had been using the service for seven years. He went on to say that he hadn't downloaded any screen sharing software and no one was supporting him with the payment.

Mr B then reiterated that this wasn't for the purpose of an investment and hadn't been encouraged by anyone to make this payment. All of the above wasn't an accurate reflection of what was really happening.

Having considered the answers Mr B was giving, I'm satisfied that his story seemed plausible and wouldn't have raised any red flags with the Revolut employee.

Having reviewed the conversation between Mr B and the scammer, it's clear the scammer was coaching Mr B on what to tell Revolut. Mr B sent a screenshot of each of the questions and the scammer told him how to answer the questions. This suggests Mr B was under the spell of the scammers. It's therefore unlikely that Mr B would have changed his behaviour towards any further line of questioning on subsequent payments from Revolut.

As Mr B did not provide accurate responses to Revolut's in-app questions, he denied it the opportunity to attempt to uncover the scam and prevent his losses. Even if Revolut had asked further questions, I'm not persuaded that Mr B would have been open and honest with his answers to those either. It's more likely that he would have continued sending the scammer screenshots, to which he would have provided advice, and he would have given answers that would have alleviated Revolut's concerns.

I am sorry to hear about the vulnerabilities Mr B has. The repercussions such a cruel scam has had on Mr B is not something I have overlooked when reaching my decision either. However, I have not seen a pattern emerge that would have highlighted to Revolut that Mr B had vulnerabilities, or that they may have been impairing his decision-making during this scam. I am empathetic towards him, but I do not consider his vulnerabilities, in isolation of any other clear indicators of a potential risk of financial harm, to be something that should have triggered further red flags for Revolut.

Mr B was clearly under the influence of the scammer and so I'm not persuaded that his loss could have been prevented by Revolut. The level of intervention required to have broken the scammer's influence over Mr B was speaking to his daughter, and even then, she has said it took her some days to convince him he was being scammed.

So, up until that point, it's most likely whatever intervention questions that were put to him by Revolut whether in the first intervention call or during later payments, Mr B would have contacted the scammer and followed his guidance as he had before.

Mr B's representative has mentioned the new PSR rules that have just come into force. Unfortunately, they are not retrospective, so can't be applied in this case.

Recovery

After the payments were made, I couldn't reasonably expect Revolut to have done anything further until Mr B told it that he had been scammed.

I'm satisfied that Revolut did what it could to recover Mr B's funds. Revolut told us that it contacted the beneficiary banks on 17 January 2024 and that it didn't receive a response.

I am also mindful that Mr B reported the scam around two weeks after he made the last payment to the scammer. So, given the length of time that had passed between Mr B making the payments and reporting the scam, I think it's more likely than not that the funds would have already been removed from these accounts. From what we know of these types of scams, scammers usually move the funds elsewhere shortly after receipt to seemingly try and hinder any type of successful recovery.

Because of the above, I'm not persuaded Revolut could have successfully recovered Mr B's funds.

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 22 May 2025.

Tom Wagstaff
Ombudsman