DRN-5216114

The complaint

Mrs S complains that Revolut Ltd has declined to reimburse payments that she made as part of an investment scam.

What happened

As the parties are familiar with the facts of this case, I'll summarise them briefly.

Mrs S responded to an advert about investing on a social media platform. She dealt with an individual who convinced her to purchase cryptocurrency as part of an investment scam. Mrs S initially thought she was investing with a company I'll call X and made a payment from her account with another banking provider (Bank A). When Bank A intervened in a second payment attempt to X, it discussed the payments with Mrs S which resulted in her withdrawing her funds.

Mrs S remained in contact with the scammer and believed they were advising her to invest with a safer company I'll call Y. She went on to make several card and faster payments including to different cryptocurrency platforms using her Revolut account. As the scam progressed, Mrs S was given different reasons for not being able to withdraw her 'profits' and convinced to take out lending to avoid losing access to her balance. Mrs S is disputing payments made between September 2022 and September 2023 – while some payments were recovered, her remaining loss is almost £700,000.

Revolut declined to reimburse Mrs S on the basis that she had authorised the payments and the loss occurred on other platforms. But it did manage to recover some funds.

When Mrs S complained to our service, the investigator didn't uphold the complaint. In summary they thought that Revolut ought to have done more to intervene in the circumstances, but they weren't persuaded this would have prevented Mrs S' loss.

Mrs S didn't agree, in summary her professional representative said:

- Mrs S was honest and receptive to warnings from Bank A. She withdrew her funds from the investment it warned her about with the help of an intermediary. This built her trust in the intermediary and the next investment appeared safer as she thought it was regulated, and the funds remained in her control.

- Mrs S was honest with Revolut and didn't have remote access software in place at the time it asked her about this. Revolut missed the opportunity to ask her questions about the investment or company that could have brought the scam to light.

The investigator explained that they still thought Mrs S had misled Revolut in relation to being assisted in making the investments. And that the fact Mrs S had continued to invest following warnings from Bank A indicated how she would have proceeded had Revolut intervened.

So, the matter was passed to me for a decision by an ombudsman.

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 the investigator for similar reasons.

It's common ground that Mrs S authorised the disputed payments as part of a cruel scam.

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.

But, taking into account longstanding regulatory expectations and requirements, and what I consider to be good industry practice at the time, Revolut ought to have been on the look-out for the possibility of fraud and made additional checks before processing payments in some circumstances.

With this in mind, I'm satisfied that Revolut ought to have recognised that Mrs S was at a heightened risk of financial harm from fraud based on the information it held about the account activity and payments. There were a significant number of payments that would have initially appeared unusual for the account, many of which would have appeared higher risk based on their value and the destination being identifiably to a cryptocurrency platform. I'm aware that Revolut did intervene, but I think this should have been to a greater extent than it did, with earlier human interventions.

However, I'm not going to go into more detail in relation to when and how I think Revolut ought to have done more. This is because it would only be fair for me to make an award in the event that I thought that had Revolut intervened appropriately it would likely have prevented Mrs S' loss. I'll explain why I don't think that's the case.

Where evidence is missing, incomplete, or contradictory I need to make a finding on the balance of probabilities. That is, what I think is more likely than not, based on what I do have. Given what we know about how Revolut communicated with its customers at the time, a direct conversation to establish more about the circumstances of the payments would have taken place via it's in app chat function. I appreciate we can never be certain how such a chat between Revolut and Mrs S would have unfolded, but I have given weight to how Mrs S did respond to Bank A when it discussed the scam with her in September 2022 and the interventions that Revolut did make – including an in-app chat in April 2023.

On balance I'm not persuaded that earlier proportionate interventions involving suitably probing questions and warnings would have led to Revolut identifying the scam Mrs S had fallen victim to or that she would have stopped making payments. This is because Mrs S didn't provide fully accurate answers when questioned by Bank A and Revolut, and Mrs S has demonstrated that she trusted the scammer to the extent that she didn't heed the warnings that were given to her. So I don't think more questions or better warnings would have had an impact on Mrs S continuing with the payments.

I'll expand on this here, and note Mrs S's professional representatives have been provided with a copy of the calls between Mrs S and Bank A:

- Bank A warned Mrs S multiple times in September 2022 about cryptocurrency investment scams. But Mrs S appears to have placed her concern onto the company X itself and continued to trust the scammer.

- In these conversations, Mrs S told Bank A that she had been recommended the investment by an acquaintance that she'd known for years and this conversation was face to face – which wasn't accurate.

- Mrs S confirmed to Bank A that she had checked whether X was FCA regulated, and they weren't. So, it appears Mrs S was aware of how to check whether Y was regulated when she started investing with it.

- Mrs S told Bank A she had no interest in cryptocurrency after this "*nightmare*" but then went on to use her Revolut account to purchase cryptocurrency for investment purposes.

- When Revolut discussed a payment with Mrs S in April 2023, she said the purpose of the payment was "*investment*", she hadn't been pressured to act quickly, and had conducted research.

- In the chat Mrs S says she's buying cryptocurrency from the platform, she does this often, and that she's confident making the transfer. Revolut warns her *"Never share details of your investment account with others and never transfer more money in order to access your funds. If you have any concerns then do not proceed with this investment."* At this point her messages with the scammer suggest she thought she'd be repaying a 'loan' with Y to enable her to withdraw her funds.

- Revolut asked Mrs S *"Have you been asked to install any apps (such as AnyDesk or TeamViewer) or been assisted in setting up an investment account?"* To which Mrs S responded "no". While she may have uninstalled her remote access software, it remained the case that she had been assisted in setting up her investment.

So, I think the information she provided indicates that Mrs S was willing to mislead her banking providers as part of the scam and that if Revolut had asked her more in-depth questions surrounding the payments she would have maintained that she was investing without assistance.

I note Mrs S provided varying reasons for the payments including moving money to a safe account. For completeness, I think had Revolut discussed the payment with her she would have clarified that she put this because she thought her cryptocurrency wallet was a safe account – as she has told our service – and therefore this wouldn't have prevented the payment from being processed.

I do recognise that Mrs S has been the victim of a cruel scam and that she's lost a significant amount of money. I appreciate she was manipulated into believing it was a genuine opportunity. But for the reasons I've explained, I'm not persuaded that it would be fair to require Revolut to provide a refund in the circumstances.

I've also considered whether Revolut could have done anything more to recover Mrs S' loss. It appears the funds all went to Mrs S's own accounts. But Revolut still followed the relevant process and as the parties are aware it was able to recover some funds. So, I don't think it needed to do anything further in the circumstances.

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 Mrs S to accept or reject my decision before 5 September 2025.

Stephanie Mitchell
Ombudsman