

The complaint

Mrs L complains that Revolut Ltd ('Revolut') won't refund the money she lost to an investment scam.

What happened

The background is known to both parties. I won't repeat all the details here.

In summary, Mrs L says that, in November 2023, she saw a social media advert, seemingly endorsed by well-known celebrities, for an investment company (I'll call 'X'). She understood X would provide the opportunity for online trading on the advice of experienced 'brokers'.

She registered her interest and was then contacted by someone (a scammer) claiming to be an 'account manager' at X. She found nothing concerning when carrying out her due diligence. And believing she was dealing with an expert and knowledgeable professional she went on to 'invest' as instructed. As part of the process she was given access to X's (fake) platform, asked to download remote access software, and told to open a Revolut account to facilitate payments which she sent to two recipients ('S' and 'V').

She realised she'd been scammed when, in December 2023, she was told to pay additional funds for 'liquidity' and, having paid these, the scammer then ended all contact. By that time, over €129,000 had been sent to the scam between 29 November and 19 December 2023. To note, some of that money was from loans Mrs L took out with separate lenders.

The matter was reported to Revolut in March 2024. A complaint was raised and referred to our Service. Our Investigator considered it and didn't uphold it. In brief, he thought it was unlikely that the scam would have been unravelled given what happened when Revolut (and other firms) intervened to question Mrs L about the reasons for her payments.

As the matter couldn't be resolved informally, it'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.

Having done so, I've decided not to uphold it for similar reasons as the Investigator.

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 (the 2017 regulations) and the terms and conditions of the customer's account. It's not in dispute that Mrs L authorised the transactions in question, so she's presumed liable for her losses in the first instance.

But that's not the end of the matter. As Revolut is aware, taking longstanding regulatory expectations and requirements into account, and what I consider to have been good industry

practice at the time, it should have been on the look-out for the possibility of fraud and made additional checks before processing payments in some circumstances.

In this case, I agree there was enough about some of Mrs L's payments for Revolut to have stepped in on concerns that she might be at a heightened risk of financial harm from fraud – considering, for example, some of their values. That said, as referred to by the Investigator, Revolut did intervene on several payments (as I'll consider below). And it's important for me to emphasise that, even in circumstances where Revolut ought to have arguably done more, it's still necessary to consider whether that would have otherwise made a difference to what happened – such that I can fairly and reasonably hold it liable for Mrs L's losses.

The first time Revolut intervened was on Mrs L's payment to S on 29 November 2023. A 'new payee' warning was given. Mrs L was then asked a series of automated questions in the payment flow. She was warned *"Please answer truthfully. If you're being scammed, the fraudster may ask you to hide the real reason for this payment"*. Mrs L replied *"I understand"*. But when asked *"why are you making this transfer"* she selected *"Transfer to my other account"* and confirmed she'd not been asked to install any remote access software.

The next intervention was on Mrs L's payment to S on 5 December 2023. Mrs L was again asked a series of questions in the payment flow and warned *"Please answer truthfully. If you're being scammed, the fraudster may ask you to hide the real reason for this payment"*. But when asked for the reason for her payment, she told Revolut she was *"Buying goods from an online retailer"*. And when she was brought into 'live' chat, she told Revolut *"I'm simply buying diamonds from a merchant. I was there few months ago in Italy. I have met the seller personally and now I'm just making transaction"*. She was asked to confirm she wasn't being guided to make the transfer and was then provided with warnings that were more relevant to 'impersonation' scams – which we know didn't resonate.

I note that before this payment was made Mrs L was also asked for the reason she'd opened her Revolut account and she replied *"simply because my bank do not allow international transactions...i checked reviews to see which one is the best one to use...for international transactions cash back while I'm travelling abroad"*. She was then asked to consider the information given and to decide if she still wanted to continue with the payment.

There were further interactions. On 11 December 2023, Revolut restricted Mrs L's account and blocked a payment. It warned it believed the attempted transaction was likely part of a scam and it was crucial it was given truthful information to help it assess things and protect her. But when asked why she'd opened the account, Mrs L again said it was for international payments, that she'd found Revolut after carrying out her own due diligence, and added she planned to use the account when abroad in some months. When asked about the payment purpose, Mrs L again said she was *"buying diamonds"* from a store in Italy and she'd met the seller. When asked for evidence, she sent 'invoices' allegedly received for earlier payments.

On 13 December 2023, Mrs L was asked for the reason for her payment to V. In response, she said she was sending the money *"for marketing services"*. As in previous interventions, similar questions were asked on 18 December 2023 and Mrs L told Revolut she wasn't being guided and provided an 'invoice', she'd supposedly received from V, as supporting evidence.

I've thought carefully about Mrs L's responses to our Investigator's outcome. I appreciate what she's said about not being sophisticated in financial services and that the payment activity should have triggered alarm bells. But, as the evidence shows, payments did trigger and Revolut intervened several times to find out more about what was happening.

I think it's clear from the interventions Mrs L wasn't prepared to reveal anything significant about what she was really involved in. At no point was Revolut given any indication about the involvement of a third-party or 'investment', despite having provided warnings that being guided on what to say was a red flag for scams. And while Mrs L also suggests that if Revolut had phoned her it would then have realised she was nervous and under pressure, I'm satisfied the steps it did take were still proportionate to the risks presented.

Even if I were to agree Revolut should have gone further than it did and called Mrs L, I'm not persuaded things would have played out very differently. I can't ignore that when payments were stopped by the bank, from which funds into Revolut originated, it too was misled (in a call) about what was happening and Mrs L went on to send payments from other accounts. And I can see, in her messages with the scammer, she reverted to them and was guided (including on how to present in calls) when payments were blocked. In my view, Mrs L was heavily under the scammer's 'spell'. I think it's unlikely, on the evidence, she would have been more forthcoming if questions had been asked on the phone such that the scam would have unravelled or that she wouldn't have found other ways to make payments if necessary.

I'm sorry Mrs L was scammed and about the impact the whole experience has had on her. I'm mindful she was a victim in all this and that it's affected her deeply. I don't imagine she went along with any of it thinking she'd lose so much money. But, for the reasons I've given, I don't think it'd be fair and reasonable to hold Revolut responsible for what happened in this case. And in terms of recovery, I'm satisfied there was little it could have successfully done to retrieve funds given months passed between the scam and when the matter was reported.

My final decision

For the reasons I've given, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs L to accept or reject my decision before 28 August 2025.

Thomas Cardia
Ombudsman