

The complaint

X complains about Revolut Ltd.

She says that Revolut didn't do enough to protect her when she became the victim of a scam and would like it to refund her the money she has lost as a result.

What happened

X found an advertisement online for a company which promoted investing in cryptocurrency, supposedly promoted by a well-known celebrity.

She completed a contact form and soon after was contacted by someone from the company who explained how they could help her to invest. Unfortunately, this person was a scammer – and set about manipulating X into parting with an extremely significant amount of money.

X was persuaded to download Anydesk and was given access to a fake platform where she could 'see' her investment. In reality, as soon as the funds left X's bank accounts, the money was already in the hands of the scammer.

During the time that the scam took place, the individual kept in regular contact with X, falsifying a professional, and friendly relationship – it is clear from the messages that have been shared from this Service that X regarded her advisor as a friend, and they exchanged pleasantries about family and life in general.

As well as parting with her own money, X was further persuaded to take out significant loans with various lenders, and to borrow money from friends and family. X wasn't truthful with the lenders or the friends and family about what the lent funds were for.

It has been hard to identify the true loss X has suffered from the scam, as X hasn't been able to explain where some of the money ended up – however, the loss is extreme – somewhere in the region of £500,000-£600,000, and represents a lifetime of savings for X, who has now also incurred significant debt due to the loans that were taken out.

X only realised she had been scammed when the police became involved, and until this point was reluctant to accept the reality of what had happened.

With the help of a representative, she has brought complaints against four banks which were involved in that happened.

Revolut didn't uphold her complaint, it said that it had done all it could to prevent X's loss and wasn't the point at which her loss was made.

X and her representative then brought her complaint to this Service. Our Investigator looked into things but didn't think that the complaint should be upheld.

Our Investigator explained that it wasn't clear what loss X had suffered – a lot of the money had been moved to crypto exchanges, money transfer services and internet transfers – so it was difficult to see what loss X had truly occurred.

X then asked for a final decision, so the complaint has been passed to me. I have previously written to X and her representatives to explain that I also didn't think that the complaint should be upheld – but also added further information.

I explained that while it was difficult to truly quantify the loss, although it was clearly very significant – there were other factors that I felt needed to be taken into account, which meant that I did not think the complaint should be upheld.

X and her representatives responded, and still maintained that they would like a final decision – in summary that X was vulnerable, and that Revolut should have been aware of this and done more to prevent her losses.

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 this complaint. I know that this will be extremely upsetting for X and her family – the money she has lost represents the majority of her life savings, and I have no doubt that the realisation of what has happened to her has been truly devastating and will have a lasting impact.

The actions of the scammer in this situation are truly abhorrent – and the level of manipulation X has been subjected to is frankly obscene, and I am very sorry to hear what has happened to her.

However, my role here is to decide if Revolut could have prevented the loss – and it is important to remember that it was not Revolut who stole X's money from her – it was the scammer – and so my decision is purely based on Revolut's actions.

In broad terms, the starting position at law is that banks and other payment service providers (PSP's) are expected to process payments and withdrawals that a customer authorises it to make, in accordance with the Payment Services Regulations and the terms and conditions of the customer's account. And I have taken that into account when deciding what's fair and reasonable in this case.

X authorised the payments in question here – so even though she was tricked into doing so and didn't intend for her money to end up in the hands of a scammer, she is presumed liable in the first instance.

But this isn't the end of the story. As a matter of good industry practice, Revolut should also have taken proactive steps to identify and help prevent transactions – particularly unusual or uncharacteristic transactions – that could involve fraud or be the result of a scam. However, there is a balance to be struck: banks had (and have) obligations to be alert to fraud and scams and to act in their customers' best interests, but they can't reasonably be involved in every transaction.

Taking into account the law, regulator's rules and guidance, relevant codes of practice and what I consider having been good industry practice at the time, I consider 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 banks are generally more familiar with than the average customer.
- In some circumstances, irrespective of the payment channel used, have taken additional steps, or made additional checks, before processing a payment, or in some cases declined 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 multi-stage 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.

In this case, I need to decide whether Revolut acted fairly and reasonably in its dealings with X when she authorised payments from her account or whether it could and should have done more before processing them.

Revolut stopped the initial payment X attempted to make on 16 February 2023, and directed her to its in-app chat function to discuss the payment. It asked X a series of questions specifically to try and identify the risk of a scam.

It asked if she had recently been in touch with anyone about an investment, downloaded any screen sharing applications such as Anydesk, why she had opened the account and if anyone was encouraging her to make a payment, what did they tell her.

X denied the involvement of any third party, explained that she was making the payment on her own, and that she had been investing with B (a crypto exchange) for 'ages' with no problems – and that she hadn't downloaded any screen sharing software.

Revolut told her that it was important to take time to reflect on investments, and asked what the investment was for. X explained that she had chosen to do this in order to build up money for her grandchildren.

After answering these questions, Revolut allowed the transaction to proceed.

However, shortly after, X contacted Revolut again to say that she thought she had been scammed (this was after a conversation she had with another bank involved in the scam, N). Revolut asked her what had happened – but X initially didn't respond.

The next day she came back and explained that it had been a mistake – that she hadn't been scammed, and that she had panicked because she had nearly been scammed a few years before, but now realised that everything was actually fine. Revolut then blocked her account while it completed further checks, which took some time.

X repeatedly asked Revolut to unblock her account and said that the earlier mention of a scam and been a mistake – and if she wasn't able to make payments, she would like her money sent back to H (another bank). Revolut didn't comply with this, and again asked X a series of questions similar to what it had previously done. Including;

- Tell us more about this investment?
- Is anyone pressuring you to act quickly?
- Had she been promised returns which could be too good to be true?
- What research she had done, and did she understand what she was investing in?
- Had she been contacted or encouraged to invest by someone she had met recently?
- If she was buying crypto, did she have access to/own the crypto account?

Again, X wasn't honest about what was going on – confirmed she was acting alone. Revolut then highlighted several 'red flags' that she should be aware of, and that if any applied to her situation she should not make the payment – including the use of Anydesk. It also asked if she had been told to withhold information or how to reply.

X denied that any of these applied to her – and maintained she wanted to continue, and Revolut removed the blocks. And although Revolut repeated the process on several occasions, she maintained her stance.

I know that X's representatives have said that X was vulnerable and had health issues which clouded her judgement – and that Revolut should have telephoned her to discuss things – but I am not persuaded that this would have made a difference.

Although I accept that X was clearly suffering with some health issues, and may be regarded as vulnerable, I don't think that this would have been apparent to Revolut, even if it had called her. X had already had a branch visit with N, who told her she was being scammed and been questioned and warned by several banks about scams – but was reluctant to accept what was happening to her and was being heavily coached and manipulated by the scammer in what to say and do.

So, I don't think that any further questioning from Revolut could have persuaded her to be truthful about what was going on, and I won't be asking Revolut to refund her the money she has lost.

My final decision

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask X to accept or reject my decision before 13 March 2025.

Claire Pugh
Ombudsman