

The complaint and background

Mr K complains Revolut Ltd won't reimburse over £9,000 that he lost when he fell victim to an investment scam.

Our investigator didn't uphold the complaint. Revolut had intervened on one payment and had warned Mr K about investment scams, and she was satisfied that was a proportionate intervention at the time. She found it arguable that Revolut ought to have also intervened at a later larger payment for £4,000, but didn't find that would have prevented Mr K's loss.

Mr K's representative asked for the matter to be referred to a decision. It said Revolut should have intervened at the £4,000 payment, given it was going to a crypto provider which would have increased the risk of the transaction. They argue an intervention would have prevented the loss of this and the subsequent payment.

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

It did find one of Mr K's payments suspicious as it paused the payment to make some further enquiries about it. And upon being told that Mr K was sending the payment for an investment, it provided a warning about investment scams, their common features and to carry out research such as with the FCA. I'm satisfied this was a proportionate intervention.

I agree with both the investigator and Mr K's representative that Revolut probably ought to have intervened in the £4,000 transaction. Whilst this was to a known payee, it was to a crypto provider and it was the second transaction in a matter of hours. And it is well known that crypto can be involved in investment scams. However, like the investigator, I'm not persuaded any intervention at that point would have prevented Mr K from investing.

I say this because Mr K had been referred to the investment by a close friend and because of the implicit trust held with his friend, he decided to invest. His friend had showed him the profits he had made, and I note that by the time of the £4,000 payment Mr K also reports having made profits. Combine that with a lack of evidence about the company being a scam at the time of that payment, I'm not persuaded Mr K would have been able to uncover anything at the time which would have given him cause for concern such that it would have stopped him from investing. I'm not persuaded a similar warning from Revolut, to the one it had already given, would have prevented the payments from being made, or therefore Mr K's loss.

Whilst I accept Mr K has likely been the victim of a cruel scam, I would only uphold his complaint if I was satisfied that any failings on Revolut's part made a material difference to

what happened. For the reasons given, I'm not persuaded they have.

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 K to accept or reject my decision before 10 April 2025.

Claire Hopkins
Ombudsman