

The complaint

Mrs M complains Revolut Ltd (“Revolut”) didn’t do enough to protect her when she fell victim to a scam.

What happened

Mrs M told us she learnt about an investment trading company on TV and after reviewing its website decided to invest. She said she started with an investment of £250 through an account she held with another firm. She said she received a call, from someone who I’ll refer to as the scammer, who explained she’d benefit from investing larger sums and would need to trade for three months and it was foolproof. Mrs M said she found the scammer to be knowledgeable, and the website was professional which added legitimacy to the investment. She said she installed remote access software, and the scammer opened a cryptocurrency wallet on her behalf.

Mrs M said she saw steady profits over several weeks and was being advised on how much to trade each week. She said she was able to make a withdrawal, this was prior to the payments Mrs M made towards the scam via Revolut and gave the opportunity further legitimacy.

Mrs M explained she received a call and was told her funds had all been lost and if she invested further she would definitely be able to recover the money in a few months risk free. Mrs M said the scammer told her the contract she signed meant she needed to continue to invest, or she’d need to deal with the legal department. She decided to invest further and when she couldn’t withdraw her funds, she realised she’d been scammed.

Below are the payments Mrs M made towards the scam from her account with Revolut:

Payment	Date	Type of transaction	Payee	Amount
1	29 December 2023	Transfer	Payee 1	£1,600
2	14 February 2024	Transfer	Payee 2	€ 5,804
3	19 February 2024	Transfer	Payee 3	€ 1,850
4	16 April 2024	Transfer	Payee 4	€ 4,150

**Mrs M didn’t complain about payment 1 to Revolut but has since confirmed this payment was made towards the scam.*

Mrs M complained to Revolut, and her complaint wasn’t upheld. Unhappy with Revolut’s response, Mrs M raised the matter with the Financial Ombudsman. One of our Investigators looked into the complaint and didn’t uphold it. They thought Revolut’s intervention was reasonable and so didn’t hold it liable for Mrs M’s losses.

Mrs M didn’t agree. In summary, her representative said:

- The payments were uncharacteristic and showed the hallmarks of a multistage scam.

- Mrs M gave a reasonable response to Revolut's payment purpose question when selecting the option of '*Buy or rent goods or services*' as this could reasonably describe using a 'broker' to purchase cryptocurrency. Revolut ought to have probed Mrs M further and if it had, it would have uncovered the scam.

As an agreement could not be reached, the complaint has been passed to me for a final decision.

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 sorry that Mrs M has been the victim of a scam. I realise she's lost a significant sum of money and I don't underestimate the impact this has had on her. And so, I'd like to reassure her that I've read and considered everything she's said in support of her complaint. But I'll focus my comments on what I think is relevant. If I don't mention any specific point, it's not because I've failed to take it on board and think about it, but because I don't think I need to comment on it to reach what I think is a fair and reasonable outcome. I know this will come as a disappointment to Mrs M but having done so, I won't be upholding her complaint. I'll explain why.

In broad terms, the starting position at law is that banks and other payment service providers 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.

Mrs M 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 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: as while banks and Electronic Money Institutions should be alert to fraud and scams to act in their customers' best interests, they can't reasonably be involved in every transaction.

I've thought about whether Revolut acted fairly and reasonably in its dealings with Mrs M when she made the payments, or whether it should have done more than it did. In doing so I've considered what Revolut knew about the payments at the time it received Mrs M's payment instructions and what action, if any, Revolut took prior to processing the payments.

Revolut told us that prior to processing payment 1 it displayed a '*New Beneficiary Transfer Warning Review*' asking Mrs M if she knew and trusted the payee and if she was unsure not to pay them. This warning also said Revolut may not be able to help her get her money back and gave a reminder that fraudsters can impersonate others. Mrs M continued past this warning and payment 1 was processed. Based on the circumstances of this transaction, I don't think there were sufficient grounds for Revolut to think that Mrs M was at risk of financial harm from fraud when she made this payment. So, I can't say Revolut was at fault for processing payment 1 in accordance with Mrs M's instructions. Revolut said the same warning was displayed for payments 2, 3 and 4.

For payment 2 Revolut displayed a warning to Mrs M that *'something doesn't look right'* and the payment had flagged as a potential scam, and that to continue Revolut needed to ask Mrs M some questions.

Revolut asked Mrs M a series of questions regarding the circumstances around payment 2 and asked her to be truthful when answering. Revolut asked Mrs M the reason for making the payment and she said it was to *'Buy or rent goods or services'* which we know wasn't the case. We know that one payment purpose option was *'As part of an investment'*.

Revolut asked Mrs M further probing questions in relation to the payment purpose she'd given. She was asked what she was buying, if it was cheaper than usual, if she knew the seller was legitimate and if she'd seen proof of ownership. Mrs M said she was buying goods from an online retailer, they were averagely priced or more expensive than usual, she confirmed she knew the seller was legitimate as she'd checked online reviews and she'd seen the item in person, which we know wasn't the case.

Based on the answers she gave Mrs M was shown warnings about purchase scams where fraudsters pretend to sell items they don't have. None of the warnings Revolut presented resonated with Mrs M and she continued to make payment 2. I appreciate these warnings weren't relevant to the scam she was falling victim to, which is why they may not have positively impacted her, but because she had answered Revolut's questions inaccurately it prevented Revolut from being able to provide warnings that better reflected the scam she was falling victim to.

Mrs M was then shown a risk agreement. It said:

'Revolut has warned me that this payment is suspicious and I understand the risk of losing my money'.

Mrs M was required to type her name before she could continue with the payment. Mrs M did this and the payment was processed.

Revolut told us it also intervened for payment 3 in the same way it did for payment 2. It asked the same questions and Mrs M gave the same answers. She was presented with the same warnings and risk agreement. Mrs M continued and payment 3 was also processed.

It could be argued that Revolut ought to have intervened on payment 4. I've considered this and I'm not persuaded that any further intervention from Revolut would ultimately have prevented her from making the payment or uncovered the scam. I believe it's more likely than not that she would have engaged with the interventions in the same way she did for payments 2 and 3 and the scam wouldn't have been uncovered.

Mrs M's representative argued the payments could reasonably be described as buying goods or services as she was purchasing cryptocurrency and using the services of a broker and that Revolut ought to have probed further. As I've described, Revolut did probe further, and if Mrs M had stopped to consider the questions being asked and the answers she was giving, she may have realised they didn't relate to the payments she was making towards the investment.

I've thought carefully about whether Revolut's actions were proportionate to the risks these payments presented. When intervening, I would have expected Revolut to have asked questions around the circumstances of the payments with the aim to identify the scam Mrs M was potentially falling victim to. Then to display tailored written warnings about that scam type, which outlined in clear and understandable terms, the hallmarks of such a scam. An intervention of this kind relies on accurate answers from the customer and any inaccurate

answers can mis-lead a firm and result in a customer being given a tailored warning that doesn't relate to the circumstances of the scam they're falling victim to, as is the case here.

Overall, I think Revolut's interventions were a proportionate way for it to minimise the risk of financial harm to Mrs M but without imposing a level of friction disproportionate to the risk the payments presented.

I'm sorry to disappoint Mrs M further, but I've thought carefully about everything that has happened, and with all the circumstances of this complaint in mind I don't think Revolut needs to refund Mrs M's money or pay any compensation. I realise this means she is out of pocket and I'm really sorry she's lost this money. However, for the reasons I've explained, I don't think I can reasonably uphold this complaint.

Recovery

I've thought about whether there's anything else Revolut could have done to help Mrs M — including if it took the steps it should have once it was aware that the payments were the result of fraud.

I've seen evidence Revolut attempted the recovery of some of the payments which wasn't successful. Revolut was made aware of the scam in June 2024 so given the time between the payments being made and Mrs M reporting the scam to Revolut, I don't consider it would have had any prospect of successful recovery.

My final decision

My final decision is that I do not uphold this complaint against Revolut Ltd.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs M to accept or reject my decision before 5 June 2025.

Charlotte Mulvihill
Ombudsman