

## The complaint

Mr W is complaining that Revolut Ltd didn't do enough to prevent him from making payments to a scam.

The complaint is brought on his behalf by a professional representative.

## What happened

Both parties are familiar with the circumstances of this scam so I won't go into great detail here.

In short, Mr W fell victim to an investment scam after meeting someone online and developing what he thought was a genuine relationship with them. Mr W was persuaded to invest funds with the promise of an excellent return, and he made the following payments, by transfer, from his account with Revolut. It looks like the payments were to buy cryptocurrency from genuine sellers, using the "peer to peer" trading option, and the cryptocurrency Mr W bought was then lost to the scam.

Payment number	Payment date	Payee	Amount
1	14 August 2024	Individual 1	£1,000
2	19 August 2024 (cancelled)	Individual 2	£500
3	19 August 2024 (cancelled)	Individual 2	£250
4	19 August 2024	Individual 2	£250
5	19 August 2024 (cancelled)	Individual 3	£250
6	19 August 2024	Individual 2	£250
7	20 August 2024	Individual 4	£1,550
8	24 August 2024	Individual 5	£930.50

The scammer put pressure on Mr W to make further payments and he realised he'd been scammed. He reported the scam to Revolut, as a complaint through his representative, in October 2024. On receiving the correspondence from Mr W's representative, Revolut attempted to recover Mr W's funds, and they were able to recover a small amount of Payment 8.

Revolut sent its final response to Mr W's complaint on 14 October 2024. It said in summary, that it had provided sufficient scam warnings for Mr W's transactions, and it did what it could to attempt to recover the funds.

Mr W's representative brought his complaint to the Financial Ombudsman. It explained that Mr W was vulnerable due to health and life events, and it thought Revolut ought to have done more intervene in the transactions due to this. It thought that due to his vulnerabilities, Revolut should have provided Mr W with a full reimbursement under the Contingent Reimbursement Model (CRM) code.

Our Investigator didn't uphold Mr W's complaint, because they found that Revolut had intervened in some of the payments to the scam and had given Mr W a warning on Payment 2 - and they thought this was enough in the circumstances of the payments.

Mr W's representative didn't agree. It replied to say, in summary, that Revolut should have called Mr W to discuss the payments, at which point his vulnerabilities would have been evident and the scam would have been uncovered. It said cancelling payments was an indication Mr W was confused and vulnerable.

Mr W's complaint has been passed to me for review and a 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 Mr W has been the victim of a scam, and I don't underestimate the impact this has had on him. But while I'm sympathetic to his circumstances, I must consider whether Revolut is responsible for the loss he has suffered. I know this won't be the outcome Mr W is hoping for but, for similar reasons as our Investigator, I don't think it is. And so, I don't think Revolut has acted unfairly by not refunding the payments. I'll explain why.

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. It isn't disputed that Mr W knowingly made the payments from his account – albeit under the direction of the scammer – and so, I'm satisfied he authorised them. Therefore, under the Payment Services Regulations 2017 and the terms of his account, Revolut is expected to process Mr W's payments, and he is presumed liable for the loss in the first instance.

However, taking into account the regulatory rules and guidance, relevant codes of practice and good industry practice, there are circumstances where it might be appropriate for Revolut to take additional steps or make additional checks before processing a payment to help protect customers from the possibility of financial harm from fraud.

Mr W had held his account for around a year before the scam took place, but he had mostly used it for low value transactions. So, the account activity here would have potentially looked unusual and the Investigator concluded that Revolut ought to have been concerned about some of the payments for this reason. But looking at the value, the apparent destination and overall pattern of the payments, I'm not persuaded that Revolut ought to have intervened in these circumstances. The payments were spread out over ten days and none of the payments were of a value where I'd expect Revolut to have been particularly concerned about the risk of significant financial harm to Mr W.

However, Revolut *did* identify a scam risk here, and it intervened in the three payments which Mr W subsequently didn't proceed with.

For Payments 3 and 5, Mr W cancelled the payments before the intervention had been completed. The most in-depth intervention occurred on Payment 2. For this payment, Revolut asked Mr W about the payment purpose and it also asked him some further questions about it.

Mr W replied to the questions to say he was making the payment as part of an investment, he was investing in cryptocurrency, he wasn't being pressured into making the payment,

he'd invested in cryptocurrency before, and he'd been introduced to the opportunity through a friend or family member.

I think Revolut could have been reassured by how Mr W answered the questions it asked about the payment. I've taken into account that Mr W told Revolut the payment was being made to buy cryptocurrency and I'd expect Revolut to have been aware of the increased risk to its customers of multistage fraud, often including payments to cryptocurrency. But in the context of Mr W's other answers I don't think this ought to have caused Revolut any concern. People can and do invest in cryptocurrency legitimately, so I wouldn't expect Revolut to have found a payment suspicious just because it was going to buy cryptocurrency.

But nevertheless, Revolut did go on to show a written warning to Mr W, explaining some of the key features of cryptocurrency investment scams – including the use of social media and a convincing investment platform, the promise of high returns over a short time, and being pressured or rushed to invest. Following this warning Revolut told Mr W it would be delaying the transaction for three hours and at this point Mr W cancelled it, and went on to attempt a smaller payment (Payment 3) to the same individual, which he also then cancelled when Revolut indicated it needed to ask some questions about it. He then made two more payments to the same individual for £250 (Payment 4 and Payment 6) with no further interventions from Revolut.

The warning Revolut gave on Payment 2 doesn't appear to have resonated with Mr W because after receiving it he went on to make further payments to the scam; while some elements of the warning were relevant, there were also some elements that didn't apply to the circumstances under which he was approached, and it also seems he was under the spell of the scammer and believed she was genuine despite the warning. But this doesn't mean that the warning wasn't a proportionate intervention in all the circumstances.

The three payments Mr W cancelled were the payments where Revolut had asked further questions. I don't think Mr W cancelling these payments should reasonably have been an indication to Revolut that he was confused or vulnerable, that ought to have prompted it to intervene more robustly. I've seen nothing in the scam conversation around that time to indicate Mr W had any concerns or was confused. I think it's more likely Mr W cancelled Payments 3 and 5 because he was keen to move the money and was trying to do so without further intervention and delay from Revolut, rather than because he had concerns or was hesitating about what the scammer was asking him to do.

Mr W's representative has explained that it thinks Revolut should have called Mr W, and it would then have identified that he was vulnerable and prevented the payments. But I don't think this type of intervention, either by phone or through Revolut's in-app chat, would have been proportionate to the circumstances of the payments here. So, I wouldn't have expected Revolut to have done anything more than it did by giving Mr W a written warning on Payment 2, which was tailored to the answers he gave to its questions about why he was making the payment.

Revolut attempted to recover the funds the day after Mr W's representative raised his complaint about the scam – but it was only able to recover a small amount of Payment 8. Due to the passage of time between the scam and when it was reported, I don't think Revolut could have taken any different action which would have led to a larger proportion of the funds being successfully recovered.

I'm sorry to learn from his representative that Mr W was vulnerable due to some health and life events he was experiencing at the time. It's told us, in summary, that Mr W had come out of a relationship a year before, and he was seeing a counsellor and being treated with anti-depressants. But I can't see that Revolut was aware, or should have been aware, that he was vulnerable such that it ought to have done anything differently at the time the transactions were made.

The CRM code can offer a potential means of obtaining a refund following scams like this one and it does make a particular provision for reimbursing vulnerable customers, as Mr W's representative has mentioned. But Revolut isn't a signatory of the CRM code and these payments aren't covered by it, so I can't apply it to the circumstances here.

I have a great deal of sympathy for Mr W and the loss he's suffered. But it would only be fair for me to ask Revolut to refund his loss if I thought it was responsible for it – and I'm not persuaded that this was the case. So, while I know this will be very disappointing for Mr W, it follows that I will not be asking it to take any further action.

### **My final decision**

My final decision is that I'm not upholding Mr W's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 10 July 2025.

Helen Sutcliffe  
**Ombudsman**