

The complaint

Mrs F is complaining about Revolut Ltd because it declined to refund money she lost as a result of fraud. She was originally being represented by solicitors but that arrangement has now ended.

What happened

Sadly, Mrs F fell victim to a cruel romance scam after she met someone online. After they'd been exchanging messages for a few weeks, the scammer began asking to borrow money and Mrs F made a number of payments from an account with another bank account between 3 September and 13 October 2023. When that bank stopped supporting the purchase of cryptocurrency, Mrs F opened a new account with Revolut on 17 October 2023 and made the following transactions, including card payments to cryptocurrency providers and exchanges to cryptocurrency that was then transferred out:

No.	Type	Date	Amount £
1	Exchange	19 Oct 2023	100
2	Card payment	19 Oct 2023	82.28
3	Exchange	20 Oct 2023	4,200
4	Exchange	20 Oct 2023	200
5	Card payment	20 Oct 2023	1,649.44
6	Card payment	20 Oct 2023	1,649.34
7	Exchange	21 Oct 2023	1,000
8	Card payment	21 Oct 2023	82.36
9	Card payment	21 Oct 2023	494.14
10	Card payment	21 Oct 2023	82.36

Revolut also declined a large number of payment requests made by Mrs F during this period, starting on 20 October. After the final payment above, access to the account was restricted and Revolut invited Mrs F to discuss the account activity with its agents via its in-app chat. No further payments were made using the Revolut account, but she did try to make another payment using her original bank on 2 November. It was shortly after this that Mrs F realised she'd been scammed and she reported this on 4 November.

Our investigator didn't recommend the complaint be upheld. She felt Revolut should have questioned the transactions being made much earlier than it did. But ultimately she didn't think this would have made a difference as she believed Mrs F was under the spell of the scammer and would have wanted to continue with the payments anyway.

Mrs F didn't accept the investigator's assessment and asked for her complaint to be reviewed.

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 reached the same overall conclusions as the investigator, and for broadly the same reasons. I haven't necessarily commented on every single point raised but concentrated instead on the issues I believe are central to the outcome of the complaint. This is consistent with our established role as an informal alternative to the courts. In considering this complaint I've had regard to the relevant law and regulations; any regulator's rules, guidance and standards, codes of practice, and what I consider was good industry practice at the time.

In broad terms, the starting position at law is that an Electronic Money Institution (EMI) such as Revolut is expected to process payments a customer authorises it to make, in accordance with the Payment Services Regulations and the terms and conditions of their account. In this context, '*authorised*' essentially means the customer gave the business an instruction to make a payment from their account. In other words, they knew that money was leaving their account, irrespective of where that money actually went.

In this case, there's no dispute that Mrs F authorised the above payments.

There are, however, some situations where we believe a business, taking into account relevant rules, codes and best practice standards, shouldn't have taken its customer's authorisation instruction at 'face value' – or should have looked at the wider circumstances surrounding the transaction before making the payment.

Revolut also has a duty to exercise reasonable skill and care, pay due regard to the interests of its customers and to follow good industry practice to keep customers' accounts safe. This includes identifying vulnerable consumers who may be particularly susceptible to scams and looking out for payments which might indicate the consumer is at risk of financial harm.

Taking these things into account, I need to decide whether Revolut acted fairly and reasonably in its dealings with Mrs F.

The payments

One of the key features of a Revolut account is that it facilitates payments that often involve large amounts and sometimes cryptocurrency. I'm also conscious this was a new account and there was no history of past activity against which these payments might have looked suspicious.

Having considered what Revolut knew about the payments 1 and 2 at the time it received Mrs F's instructions, I'm not persuaded it ought to have suspected she may be at risk from fraud. In saying this, I'm conscious the amounts involved were comparatively small.

By the time of payment 3, however, the amount involved had increased considerably. The transaction involved cryptocurrency and losses to cryptocurrency fraud reached record levels in 2022 and, by the end of that year, many high street banks had placed restrictions or additional friction on cryptocurrency purchases owing to the elevated fraud risk. Further, Revolut had declined four attempted card payments for very similar amounts in the preceding 20 minutes. In my view, this activity should have prompted Revolut to suspect that Mrs F may be at risk from fraud and take steps to intervene before processing any further instructions. And the fact it had declined four payments so shortly before suggests it did have some concerns. Based on what it knew and given the risks associated with the transaction, I think this is the point at which Mrs F should have been invited to discuss her account activity via the in-app chat.

I've thought very carefully about the effect an earlier request from Revolut to discuss Mrs F's account activity might have had. But, on balance, it's my view that she'd most likely still have wanted to go ahead with payments to the scammer.

In making her original complaint, Mrs F's representative set out in detail the reasons why Mrs F believed the scammer was genuine. It referred to his detailed back story, consistent communication and sharing of intimate details, the fact he provided pictures and documents that appeared legitimate and the emotional manipulation applied. While I don't think it's appropriate to go into great detail about this here, I have read the extracts of the chat history provided and it seems clear to me that Mrs F believed she had a genuine connection with the scammer and was very much under his spell.

I'm also conscious that Mrs F didn't give Revolut accurate information about the payments she'd been making when it did ask her about their purpose. She wasn't truthful about who the money was going to or the nature of their relationship, saying she'd known the scammer much longer than she actually had. The chat history shows Mrs F was discussing her interactions with Revolut with the scammer and he presented these as attempts to interfere with their relationship and she appears to have bought into that explanation.

I've no reason to think Mrs F would have answered similar questions any differently if Revolut had asked them at an earlier stage. And if it wouldn't have been given accurate information, it's not reasonable to expect Revolut should have identified the type of scam that was taking place and provided clear and tailored warnings that might have resonated with Mrs F and stopped the scam.

I think it's also relevant to note that after account activity was suspended and she'd communicated with various agents via Revolut's in-app chat who very clearly said they felt the transactions were part of a scam, Mrs F still tried to make a further payment from her original bank.

In my view, these factors all lead to the conclusion that an earlier intervention from Revolut of the type I've described wouldn't have helped Mrs F see through the scam or have prevented her from wanting to go ahead with these transactions. I want to be clear that it's not my intention to suggest Mrs F is to blame for what happened in any way. She was under the spell of a fraudster who was clearly adept at manipulating victims. I can understand why she acted in the way she did. But my role is to consider the actions of Revolut and, having done so, I'm not persuaded these were the cause of her losses.

Recovery of funds

I've also looked at whether Revolut could or should have done more to try and recover Mrs F's losses once it was aware that the payments were the result of fraud.

As some the payments outlined above were card payments, I've considered whether Revolut should have tried to recover the money through the chargeback scheme. This is a voluntary agreement between card providers and card issuers who set the scheme rules and is not enforced by law.

A chargeback isn't guaranteed to result in a refund, there needs to be a right to a chargeback under the scheme rules and under those rules the recipient of the payment can defend a chargeback if it doesn't agree with the request. Unfortunately, the chargeback rules don't cover scams.

We'd only expect Revolut to have raised a chargeback claim if it was likely to be successful and it doesn't appear that would have been the case here. Mrs F paid legitimate

cryptocurrency exchanges and would have received a service that involved changing her money into cryptocurrency before sending it to the wallet address she supplied it with (albeit the wallet address was provided by the scammer). Mrs F's disagreement is with the scammer, not the cryptocurrency exchanges and it wouldn't have been possible for Revolut to process a chargeback claim against the scammer as she didn't pay them directly.

Further, I understand Mrs F first notified Revolut of the fraud on 4 November 2023, around two weeks after the last transaction on 21 October. It's a common feature of this type of scam that the fraudster will move money very quickly to other accounts once received to frustrate any attempted recovery and I don't think anything that Revolut could have done differently would likely to have led to those payments being recovered successfully after this period of time.

In conclusion

I recognise Mrs F has been the victim of a cruel scam and I'm sorry she lost this money. I realise the outcome of this complaint will come as a great disappointment but, for the reasons I've explained, I don't think any further intervention by Revolut would have made a difference to the eventual outcome and I won't be telling it to make any refund.

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs F to accept or reject my decision before 10 March 2025.

James Biles
Ombudsman