

The complaint

Mr P complains that Revolut Ltd won't refund money he lost when he was a victim of an investment scam.

Mr P is represented by a firm I'll refer to as 'R'.

What happened

The background to this complaint is well known to both parties and so I'll only refer to some key events here.

Mr P has explained that a person he was in contact with on social media introduced him to an investment opportunity with a firm I'll refer to as 'AW'. We now know AW to be a scam firm. As part of the scam, Mr P has told us that he purchased crypto from a legitimate crypto provider before forwarding it on to AW's trading platform. Under the belief AW was a genuine firm, Mr P made the following payments from his Revolut account:

Date	Payee	Transaction type	Amount
22 December 2023	JNP	Fund transfer	€7,000
22 December 2023	KJ	Fund transfer	€3,287
18 January 2024	AJM	Fund transfer	€4,247
18 January 2024	OI	Fund transfer	€3,575
18 January 2024	MT	Fund transfer	€3,725
Total			€21,834

When Mr P wanted to withdraw his funds, AW told him he needed to pay a commission fee. At this point, he realised he'd been scammed, and he was blocked from AW's platform.

R complained, on Mr P's behalf, to Revolut on 11 June 2024. In short, they said:

- Revolut failed to identify out of character payments that were indicative of fraud. And had Revolut intervened appropriately, the fraud would've been prevented.
- An appropriate intervention would've uncovered the hallmarks of an investment scam.
- It is understandable why Mr P felt the investment was real and believable – as he searched AW online, reviewed their website, and was given access to a sophisticated and professional trading portal which showed fake real time returns and deposits/trades.
- AW was in constant contact with Mr P, and due to his investment inexperience, he

- was unfamiliar with how things worked.
- Revolut is expected to monitor account activity for signs of fraud.
- If Revolut had intervened by asking open probing questions, the scam would've been exposed.
- Revolut should refund Mr P and pay 8% simple interest.

Revolut didn't uphold the complaint. In short, they said:

- They launched a request to freeze and retrieve the funds from the fraudulent beneficiaries' account. This process is bound by the cooperation from the beneficiary bank and the recovery of funds isn't guaranteed. The beneficiary bank didn't reply and so, they were unable to retrieve any funds.
- They detected that each payment was being made to a new beneficiary and displayed the following message:
"Do you know and trust this payee? If you're unsure, don't pay them, as we may not be able to help you get your money back".
As Mr P acknowledged this warning, he was free to continue with the transfers.
- They showed a message informing Mr P that the transfers were riskier than most transactions. And they asked about the purpose of the payments, whether someone was pressurising him into making them or if he'd been called unexpectedly.
- After this, Mr P was put in touch with their support team, where he confirmed he wanted to proceed with the payments.
- Mr P was shown educational screens regarding the type of potential scam(s). Following these warnings, he was free to continue with the transaction(s).
- In addition to system-based fraud protection, they also inform customers about scams and prevention tips through email and blogs – and provide updates on their fraud and scam hub.
- They weren't at fault for processing the transfers that Mr P authorised in the form and procedure agreed in the terms and conditions for giving consent to execute payments from his account.
- They're not liable for these transactions, they treated Mr P fairly and they fulfilled their duty to protect him by providing sufficient warnings and by pursuing the *recovery of the funds lost*.

Mr P's complaint was referred to the Financial Ombudsman. Our Investigator didn't think Revolut had to do anything further. He said Revolut wouldn't have been able to identify the transfers were for crypto purposes. And Revolut did provide Mr P with tailored warnings based on the payment purposes he selected, along with contacting him directly via their in-app chat function. He thought this was proportionate to the risk the payments presented, and he wouldn't have expected Revolut to have intervened further. Our Investigator also didn't think Revolut could've recovered the funds – as he understood the payments were for the purchase of crypto on the peer-to-peer market. And so, Mr P received the service he paid for.

R disagreed with our Investigator. In short, they said:

- Banks need to ask open and probing questions, as well as hold customer's answers up to a reasonable degree of scrutiny.
- Since the introduction of the Consumer Duty, banks need to avoid foreseeable harm to their customers.
- Automated interventions weren't proportionate here. Revolut should've initiated a fraud agent to intervene manually.
- The payments were indicative of well-known patterns of multi-stage fraud – which Revolut should've recognised.
- Coaching by AW was limited. And so, while Mr P was directed to select 'sending

money to a friend' as a potential explanation if questioned by his bank, if Mr P had been asked open and probing questions the scam would've been uncovered.

- Mr P didn't blindly follow AW's instructions as he also gave a payment reason of 'buying goods and services'.
- Appropriate probing and questioning would've led to Revolut identifying multiple red flags – thereby uncovering the fraud and preventing Mr P's losses.

Our Investigator considered R's additional points, but his position remained largely the same. He added that Revolut did flag all payments for additional checks, but Mr P didn't disclose the payments were made to buy crypto as part of an investment. So, he didn't think it was fair or reasonable to hold Revolut responsible for Mr P's loss due to them not providing a crypto investment scam warning. Our Investigator didn't think Revolut could reasonably have prevented Mr P's loss.

R remained in disagreement with our Investigator. In short, they added:

- Revolut's response, an automated questionnaire, wasn't proportionate to the size of the transfers sent.
- Mr P sent €21,834 across five payments on two separate days – with each payment to a new payee. A human intervention should've been enacted on the second payment. This is because it took the amount Mr P had sent to €10,287 – which is a large amount to transfer in under an hour.
- As AW's coaching was limited, Mr P could've provided Revolut information via a human intervention that would've led to the scam being uncovered.

The matter has therefore been passed to me to decide.

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 P has been the victim of a scam, and I don't underestimate the impact this has had. But while I accept Mr P has lost a lot of money due to being deceived by AW, I must consider whether Revolut is responsible for the loss he has suffered. I know this won't be the outcome Mr P is hoping for, but for similar reasons as our Investigator, I don't think they are. So, I don't think Revolut has acted unfairly by not refunding the payments. I'll explain why.

Before I do, I want to reassure Mr P that I've considered everything R has submitted on his behalf. And so, while I've summarised this complaint in far less detail than what has been provided, I want to stress that no discourtesy is intended by this. If there is a submission I've not addressed; it isn't because I have ignored the point. It's simply because my findings focus on what I consider to be the central issue in this complaint – that being whether Revolut is responsible for the claimed loss.

In broad terms, the starting position in law is that an electronic money institution (EMI) is expected to process payments that their customer authorises them to make. It isn't disputed that Mr P knowingly made the payments from his account and so, I'm satisfied he authorised them. Therefore, under the Payment Services Regulations 2017 and the terms of his account, Revolut are expected to process Mr P'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.

Here, Revolut did carry out additional checks before processing all five payments. This involved Mr P completing questionnaires relating to their purpose. As part of the questionnaires, Mr P confirmed the following:

- For all the payments, he told Revolut:
 - He understood that if he was being scammed, the fraudster may ask him to hide the real reason for this payment.
 - He wasn't being assisted through the questionnaire.
- For the payments to JNP, KJ and MT he selected 'Pay a family member or friend' as the reason for the transfers. He then also, for all three transfers, told Revolut:
 - He was paying them as he was *"Paying back for something they purchased on my behalf"*.
 - He hadn't been asked by this person for help unexpectedly.
 - He hadn't paid this person before.
 - The bank details were provided *"Face to face"*.
- For the payments to AJM and OI he selected 'Buy or rent goods or services' as the reason for the transfers. He then also, for both transfers, told Revolut:
 - He was buying *"Something from social media/online marketplace"*.
 - The item was averagely priced or more expensive than usual.
 - He knew/had met the seller
 - He had seen the item in person.

Based on the payment purposes Mr P selected, Revolut provided warnings tailored to the associated risks – primarily, purchase and safe account scams. Naturally, these warnings weren't relevant to Mr P's situation. Mr P did have the option of selecting 'As part of an investment' as a payment purpose which would've been a more accurate description as to why he was making the transfers. Unfortunately, Mr P didn't pick this – and it seems, from what he's told us, that AW suggested he tell his bank(s) he was sending money to a friend. I can't however hold Revolut responsible for Mr P selecting inaccurate payment purposes for the transfers.

R has argued that Mr P's payment activity warranted a greater level of intervention from Revolut by the point of the second payment. That did however happen, with Revolut directing Mr P to their in-app chat function before processing the fund transfer to KJ. As part of this conversation, Revolut explained to Mr P that they needed to check a few details regarding the transaction to protect him from a potential scam. And Mr P confirmed:

- He was making the payment to return a debt to a friend.
- He wasn't being guided in any way.
- He hadn't noticed any unusual urgency in relation to this payment.
- His reason for opening the account was for personal shopping use.

R argues that Mr P received limited coaching from AW regarding what to say if questioned by his bank(s). Due to Mr P communicating with AW over the telephone, I can't be sure what level of coaching he received. Nevertheless, from the above, I can be satisfied that, despite Revolut asking clear questions which Mr P ought reasonably to have understood, he didn't provide accurate information. Instead, even when referred to Revolut's in-app chat function for additional fraud checks, he maintained that he was making the €3,287 transfer to a friend for a debt that he owed. This therefore prevented Revolut from knowing the true surrounding circumstances of the payments and providing a relevant tailored warning to the associated risks.

At which point, I should note that the payees were individual accounts – as it seems Mr P

was purchasing crypto from the peer-to-peer marketplace and not directly from a crypto provider. Because of this, Revolut wouldn't have been able to identify – from the payees alone - that the payments were being made for crypto purposes. And from the information Mr P provided, the reasons for the transfers seemed plausible – with it being worth noting that some Revolut customers use their services to make payments in foreign currencies to avoid fees. So, based on what Mr P told them, Revolut would've likely been reassured he was making the payment for legitimate purposes – as he remained consistent in explaining he was paying a friend.

I've thought about whether, had Revolut probed Mr P further, as R has suggested they ought to have, this would've led to the scam being uncovered. Having done so, I'm not persuaded this would've made a difference. I think it's most likely that Mr P would've continued to have withheld the true surrounding circumstances of the payments – as AW told him it was common practice to give a different payment purpose if questioned as to “*not cause any delays*”. Ultimately, I'm not persuaded that Mr P would've disclosed the true reasons for making the fund transfers – but, instead, he would've continued to respond in a similar manner.

On a final note, I've considered whether, on being alerted to the scam, Revolut could reasonably have done anything more to recover Mr P's losses, but I don't think they could. The payments were for the purchase of crypto via the peer-to-peer market, which Mr P received. Unfortunately, Mr P then forwarded that on to AW. And so, the service paid for was provided to Mr P.

I appreciate Mr P will be disappointed by this outcome. But it would only be fair for me to direct Revolut to refund his loss if I thought they were responsible – and I'm not persuaded that this was the case. For the above reasons, I think Revolut have acted fairly and so I'm not going to tell them to do anything further.

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 Mr P to accept or reject my decision before 14 August 2025.

Daniel O'Dell
Ombudsman