

The complaint

Mr V complains that Revolut Ltd won't refund the money he lost to a scam.

What happened

Mr V's sister, Miss M, fell victim to an employment scam. She was contacted via a messaging app and offered a job which required her to purchase tasks, she believed she could then earn her money back plus commission by completing those tasks.

When Miss M was asked for increasingly large deposits, she asked Mr V if he could lend her some funds. Mr V transferred money from accounts he held with other banks to a new Revolut account she had told him to open, and then allowed Miss M to use his account to send payments to third parties for the purchase of cryptocurrency, to a cryptocurrency exchange, and to Miss M's own account at Revolut.

When Miss M realised she had been the victim of a scam, Mr V contacted Revolut about the scam payments and it looked into what had happened. But Revolut did not consider that it was responsible for refunding any of Mr V's loss, it said it had intervened appropriately in the payments.

Mr V wasn't happy with Revolut's response, so he brought a complaint to our service. An investigator looked into Mr V's complaint but didn't uphold it. The investigator felt that Revolut had intervened appropriately and did not think it could reasonably be expected to have done more to protect Mr V.

Mr V disagreed with the investigator's opinion, he maintains that Revolut should have questioned him in more detail about the payments, particularly bearing in mind his personal circumstances which make him more vulnerable. So, as no agreement could be reached this case has now been passed to me for 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.

Having done so, I've reached the same overall outcome as the investigator, I'll explain why.

I'm satisfied that Mr V gave Miss M permission to use his Revolut account to make payments. So, while I acknowledge that he may not have known about every payment that she made, I'm satisfied that he gave her apparent authority and so he can be considered to have authorised the payments that are the subject of this complaint. This means that, as per the Payment Service Regulations 2017 (which are the relevant regulations in place here), Mr V is responsible for those payments. That remains the case even though the payments were made as a result of a scam.

Because of this, Mr V is not automatically entitled to a refund. But the regulatory landscape, along with good industry practice, also sets out a requirement for account providers to

protect their customers from fraud and financial harm. And this includes monitoring accounts to look out for activity that might suggest a customer was at risk of financial harm, intervening in unusual or out of character transactions and trying to prevent customers falling victims to scams.

Taking the above into consideration, I need to decide whether Revolut acted fairly and reasonably in its dealings with Mr V, or whether it should have done more than it did.

In this case, Mr V opened his Revolut account specifically to make payments associated with this scam. So, Revolut had no account history against which to compare those payments to see if they were unusual or concerning, it would therefore be relying on generic indicators of risk. I acknowledge that, in this case, there were some indicators of risk associated with the payments Mr V made or attempted to make. Specifically, that there was a large volume of payments, to multiple new payees, some of which were identifiably associated with cryptocurrency, over a short period of time. And given these risk factors, I do think that it was reasonable to expect that Revolut should have intervened in some way with the payments made from Mr V's account.

However, I note that Revolut evidently did have concerns about the payments. It intervened in several of the payments Miss M made from Mr V's account. All the payments were made using Mr V's device and, as well as providing general warnings, Revolut also asked more direct questions about a number of the payments via its in-app chat feature. Given the method of communication used, I think it was fair for Revolut to believe it was dealing with Mr V directly, there was nothing to suggest to it that someone else was using his account on his behalf.

But I can see from Miss M's conversation with the scammer that she sent them screenshots of what Revolut was asking so they could guide her on what to say on Mr V's behalf. As a result, she gave various misleading answers to Revolut about why the payments were being made, she also told it that nobody was guiding her on how to answer the questions being asked, when that was clearly not the case.

In addition, I can see that on some occasions, when Miss M's answers meant that Revolut's systems required her to chat with a live agent, she chose to end the interaction by cancelling the payment rather than engaging with the agent. Miss M has suggested this was because Revolut were not answering her, but I can see from Revolut's records that she often ended the interaction only minutes after it began and without responding to Revolut's messages at all.

With all this in mind, I don't think I can fairly say that any appropriate intervention from Revolut would have uncovered this scam. I do not think it is likely that Miss M would have been open and honest about why she was making the payments, and I don't think there was any clear indication to Revolut that it was not dealing with Mr V directly. And so Revolut would have been unable to provide Mr V with any relevant warnings that might have resonated with him. It seems clear that Miss M was intent on making these payments, and on following the instructions of the scammer, and she had full control of Mr V's account at that time.

I acknowledge what Mr V has said about his particular vulnerabilities, and that he feels Revolut should have taken steps to freeze his account. But while I appreciate that Mr V's personal circumstances may well have contributed to what happened her, Revolut was not aware of those vulnerabilities, so I don't think that I can fairly say it should have taken them into account in how it interacted with him. Based on what it knew, Revolut reasonably believed it had questioned Mr V appropriately about the payments he was making.

I've also thought about whether Revolut did all it could to try to recover Mr V's funds when he told it of the scam. But given that many of the payments were to purchase cryptocurrency I don't consider there was any reasonable prospect of it being able to recover those funds. And the funds sent to Miss M's account had already been moved on to the scammer by the time the scam was reported.

I'm sorry to disappoint Mr V, as I know that he has lost a significant amount of money, and he has clearly been through a very difficult time. But, overall, I'm satisfied that any reasonable, proportionate intervention from Revolut would not have prevented these payments from being made. It follows that I don't think Revolut is liable for Mr V's loss and won't be asking it to refund any of his loss to him.

My final decision

I do not uphold this complaint.

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

Sophie Mitchell
Ombudsman