

## **The complaint**

Ms A complains that Revolut Ltd ('Revolut') hasn't refunded the money she lost to an investment scam.

## **What happened**

The circumstances of the complaint are well-known to both parties, so I don't intend to set these out in detail here. However, I'll provide a brief summary of what's happened.

Between October 2023 and November 2023, Ms A lost approximately £75,000 to an investment scam. In December 2023, Ms A reported the scam to Revolut, but Revolut declined to reimburse her.

In January 2024, Ms A – with the help of a professional representative – made a formal complaint about Revolut's decision not to reimburse her loss. Revolut reiterated its decision not to reimburse Ms A and, as she remained unhappy with Revolut's response, Ms A referred her complaint to this service.

Our Investigator didn't uphold the complaint. They thought Revolut's response to the risks demonstrated by the scam payments was proportionate and even if Revolut had done more, it was unlikely to have stopped Ms A from losing the money.

Ms A didn't agree with our Investigator. She said Revolut ought to have been concerned by the scam payments and done more to ensure they were being made for a genuine reason. If Revolut had done more, it would've prevented her loss and so Revolut should reimburse her.

As an agreement couldn't be reached, the complaint has 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.

In deciding what's fair and reasonable in all the circumstances of a complaint, I'm required to take into account relevant: law and regulations; regulators' rules, guidance and standards; codes of practice; and, where appropriate, what I consider to have been 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 and withdrawals that a customer authorises it to make, in accordance with the Payment Services Regulations (in this case the 2017 regulations) and the terms and conditions of the customer's account.

Here, it's not in dispute that Ms A made the scam payments from her Revolut account. So, the payments were authorised and under the Payment Services Regulations, the starting position here is that Ms A is responsible for the payments (and the subsequent loss) despite the payments being made as a result of a scam.

However, that isn't the end of the story. Good industry practice required Revolut to be on the lookout for account activity or payments that were unusual or out of character to the extent that they might indicate a fraud risk. On spotting such a payment, I'd expect it to take steps to warn the customer about the risks of proceeding.

Ms A opened her Revolut account in October 2023, for the sole purpose of making the scam payments. So, there was very little information available to Revolut to compare the scam payments to. However, Revolut did have some information available to it, which would've allowed it to assess the risks involved in the transactions Ms A was making.

On three separate occasions, Ms A deposited a large amount of money into her Revolut account, before immediately moving the funds on. In the circumstances, Revolut reasonably ought to have considered that Ms A was at heightened risk of financial harm from fraud. In line with good industry practice and regulatory requirements, I'm satisfied Revolut ought to have questioned Ms A about the payments she was making, to ensure they were being made for a legitimate purpose.

Revolut did intervene four times, to question Ms A about the transactions she was making. It questioned her when she made the first scam payment for £35,000; after she'd made the second scam payment for £20,000; when she attempted to make a scam payment for £19,998; and when she made the final scam payment for €22,733.

When responding to Revolut's questions, Ms A didn't give correct answers. She said she wasn't being assisted in answering the questions; hadn't downloaded any remote access software; hadn't been asked to lie to Revolut; hadn't been advised to open the Revolut account for investment purposes; wasn't buying cryptocurrency; was moving funds to a checking or savings account with another bank or paying for home improvements and goods and services; and she had opened her Revolut account for the purpose of shopping to earn cashback.

In reality, Ms A was being assisted on how to answer Revolut's questions, she had downloaded remote access software, she had been asked to lie to Revolut, the account was opened for investment purposes and the first two scam payments were to purchase cryptocurrency.

Ms A has argued that her answers should've caused Revolut concerns, for example by saying she was paying for home improvements when she was purchasing cryptocurrency. I agree that buying cryptocurrency for the purpose of paying for home improvements isn't a plausible explanation. However, I've noted that Ms A didn't pay a cryptocurrency exchange directly. Her first two scam payments went to another EMI, which provides many services and so I can't agree that those payments were identifiably going to cryptocurrency, or that the destination of the payments didn't match with the purpose Ms A was giving.

When the first scam payment was made for £35,000, Ms A said she was moving funds to another of her accounts. The pattern of moving money in and immediately out to another of Ms A's own accounts was indicative of a safe account scam – and this resulted in Revolut providing Ms A with safe account scam warnings. The funds weren't identifiably going to a cryptocurrency exchange and so it's not unreasonable that Revolut warned against safe account scams, rather than cryptocurrency or general investment scams.

When the £19,998 scam payment was attempted, Ms A again said that she was moving funds to another of her own accounts. Ms A was invited to discuss the payment with Revolut via its in-app chat function. Again, the warnings Revolut gave were targeted towards safe account scams and I don't find that unreasonable given the information Revolut had at the time.

When the final scam payment was made for €22,733, Ms A said the payment was to buy or rent goods or services. As a result, Revolut showed Ms A some purchase scam warnings, which again isn't unreasonable given the risks demonstrated by the payment and the purpose given.

I'm mindful that it's common for scam victims to be coached on how to answer questions from financial institutions and are given cover stories to avoid the scam being detected. So, I would expect a firm like Revolut to sufficiently question a customer about a suspicious transaction. I agree with Ms A that in the circumstances of the payments she made that Revolut could've done more to verify the payments were being made for genuine reasons. However, I'm not as persuaded as I'd need to be that better questioning from Revolut would've identified the scam or stopped Ms A from going ahead with the payments.

I've reviewed the messages Ms A exchanged with the scammer and she was told on multiple occasions that if Revolut (or another banking provider) questioned her about the payments she was attempting that she was to seek advice before responding. The answers Ms A gave to Revolut weren't accurate and are consistent with how a scammer might tell their victim to respond, which suggests Ms A was being coached about what to say – and importantly, what not to say – to ensure the payments were released.

The scammer had built a strong relationship with Ms A, within a short space of time, to the extent that she trusted the scammer enough to allow them to remotely access her devices and take out three loans to the value of £55,000. I think this demonstrates that Ms A had full confidence that the scammer was genuine and that they were helping her. So, if Revolut had asked more in-depth questions, I think it's more likely than not that Ms A would've reverted to the scammer for assistance on how to answer Revolut's questions and that the answers she would've given wouldn't have been accurate.

I've also noted that as part of the scam, Ms A moved (or attempted to move) money from accounts she held with her other banking providers, whom I'll refer to as 'Bank S' and 'Bank L'.

Bank S blocked several payment attempts by Ms A and spoke to her about the transactions she was making, even inviting her into branch on one occasion. In the calls I've listened to between Ms A and Bank S, she didn't give accurate answers about what she was doing. She repeatedly denied making the payments for the purpose of an investment or that she was being assisted or had been asked to lie to Bank S. She even remarked that she ought to have made the payment from another banking provider.

I don't know what questions were asked, if any, when Ms A went into a Bank S branch, but there's nothing to suggest she gave accurate answers about what she was doing. Ms A became so frustrated with Bank S not releasing a later transaction that she raised a formal complaint. This gives the impression that Ms A had no concerns that the investment opportunity wasn't genuine and Bank S's attempts to protect her from fraud were an annoyance to her and the warnings she was given didn't resonate with her at the time.

Ms A also tried to move money to Revolut from Bank L, but the payment was blocked, and Ms A had to call Bank L about the payment. Ms A spoke to two different advisors at Bank L. I've listened to both calls and Ms A gave incorrect answers about what she was doing. Bank L wasn't comfortable with the payment Ms A was attempting, and it suspended her online banking and invited her into branch to reactivate it. However, this didn't deter Ms A from topping up her Revolut account from her account with Bank S instead.

Each time Ms A was challenged by Revolut, Bank S or Bank L, she gave answers that weren't accurate. I accept that the questioning and scam warnings could've been better from all three firms. However, there's little evidence available to suggest that more in-depth questioning from any of these firms would've prompted Ms A to answer correctly and reveal that she was making the payments as part of an investment, or that she would've responded positively to a detailed investment scam warning if it had been given.

I'd like to assure Ms A that I've thought very carefully about whether more appropriate intervention from Revolut could've prevented the scam. But based on the evidence I've seen, I don't think Revolut could've prevented her going ahead with the scam payments, such was her belief that the scammer was genuine. As a result, I'm not persuaded better interventions from Revolut would've ultimately prevented her loss, as I don't think warnings would've been able to overcome the belief Ms A had that the scammer was genuine.

I'm mindful that throughout the scam, Ms A was undergoing investigations, surgery and treatment for cancer. I'm sure Ms A's health difficulties will have impacted her judgement at the time and made her more vulnerable to this scam and that the scammer likely targeted her as a result. However, there's nothing to suggest that Revolut was aware of Ms A's health at the time she opened her account or when the scam payments were made. As a result, there were no additional measures in place to protect her from fraud which Revolut failed to adhere to. As a result, whilst I'm sympathetic to Ms A's circumstances, I can't say that Revolut can fairly and reasonably be held responsible for her loss as a result of her medical conditions.

The first two scam payments were sent to another EMI and subsequently credited to a digital wallet in Ms A's own name with a cryptocurrency exchange. Ms A exchanged the funds for cryptocurrency, which she then sent to the scammer. As a result, no funds were recoverable from the first two scam payments.

The third scam payment was sent to a financial institution based abroad. Revolut did contact the beneficiary, but it got no response. Given Ms A didn't report the scam to Revolut until more than three weeks after the third scam payment, I think it's unlikely any funds would've still remained in the receiving account and even if there had been funds available, as the beneficiary wasn't based in the United Kingdom, it's more likely than not that the indemnity request from Revolut would've been refused.

I accept that Ms A has been taken advantage of and fallen victim to a ruthless scam, orchestrated by someone she thought she could trust. I don't doubt that the whole ordeal has been very distressing for her. However, I'm not persuaded Revolut could've reasonably been expected to prevent the loss or done anything to recover Ms A's funds. As a result, I can't fairly hold Revolut responsible for reimbursing Ms A's loss.

### **My final decision**

For the reasons explained above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms A to accept or reject my decision before 16 July 2025.

Liam Davies  
**Ombudsman**