DRN-5285631

The complaint

Mr S complains that Revolut Ltd hasn't reimbursed the money he says he's lost to a scam.

What happened

Mr S says that he's fallen victim to a cryptocurrency investment scam. He saw an advertisement online for an investment opportunity with a company I'll refer to as 'F' and registered his interest. He then received a call-back from a scammer who persuaded him to invest with F – promising him returns of 20%. He was told that he could withdraw from his investment at any time, and he was able to do so at first, but later, he couldn't. The scammer used remote access software to assist him with the investment process.

Mr S made some small initial investments, which he saw perform well via a fake trading platform he was given access to. Then he made the card payments set out below to several different merchants from his Revolut account (payments appear in italics where they seem to have been made as part of the scam, but Mr S has not identified them as scam payments):

Date of payment	**Amount of payment (excluding any associated fees)**
20 March 2023	£1,500.65
20 March 2023	£1,491.73
5 April 2023	*£1,000.07*
5 April 2023	*£990.57*
11 April 2023	*£989.46*
19 April 2023	*£1,095.19*
23 August 2023	£1,069.80
26 August 2023	£2,232.15
26 August 2023	£2,678.58
17 October 2023	*£1,233.03*
17 October 2023	£1,235.36
15 December 2023	*£0.80*
20 December 2023	*£47.49*

17 January 2024	£47.26
27 March 2024	£47.51
27 April 2024	*£1,986.14*
1 May 2024	£3,193.59
1 May 2024	£1,764.54
7 May 2024	£47.94
4 June 2024	*£47.22*
2 July 2024	*£47.60*

When Mr S realised he'd been defrauded, he reported the matter to Revolut. He said that its systems failed to pick up on out of character transactions that were indicative of fraud, and the fraud would've been prevented if Revolut had intervened appropriately. So, he's suffered a preventable financial loss which Revolut should reimburse.

Revolut declined to reimburse Mr S, so he referred a complaint about the firm to this Service. Our investigator didn't uphold the complaint. Mr S asked for an ombudsman's final decision, so 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.

Limited evidence has been provided to demonstrate that Mr S lost some or all of the disputed payments to a scam. But even if I proceed on the basis that he lost all of the disputed payments to a scam, I'm not persuaded to uphold this complaint. I'll explain why.

It's common ground that the disputed payments were 'authorised' under the Payment Services Regulations. Revolut had an obligation to follow the payment instructions it received, and Mr S is presumed liable for his loss in the first instance. But that's not the end of the story.

Taking into account the law, regulator's rules and guidance, relevant codes of practice and what I consider to have been good industry practice at the time, I think that Revolut should:

- Have been monitoring accounts and payments made or received to counter various risks, including fraud and scams, money laundering and the financing of terrorism.
- Have had systems in place to look out for unusual transactions or other signs that might indicate that its customers were at risk of fraud (amongst other things). This is particularly so given the increase in sophisticated fraud and scams in recent years, which firms are generally more familiar with than the average customer.
- In some circumstances, irrespective of the payment channel used, have taken additional steps or made additional checks before processing a payment, or in some cases declined to make a payment altogether, to help protect its customers from the

possibility of financial harm.

Arguably, Revolut ought to have identified a fraud risk at points during the scam and intervened in some of the disputed payments. I think that a proportionate intervention would have been to provide a tailored written warning, in the form of a better automated warning, or to carry out a human intervention. But the effectiveness of such warnings would have relied upon Revolut's ability to have uncovered the true payment purposes. I don't think there's anything about the disputed payments themselves that ought to have alerted Revolut to the possibility of a cryptocurrency investment scam being underway. And I've seen that Mr S misled an external account provider when it intervened during the same scam – he said he was saving money for his daughter. It follows that I think it's likely Mr S would've misled Revolut as to the true payment purposes if it had asked him questions about the disputed payments, and the scam would not likely have been uncovered so that a relevant tailored warning could've been given.

Overall, I'm not persuaded in this case that Revolut could reasonably have prevented Mr S' financial loss. So, I don't consider that it would be fair or reasonable to require Revolut to reimburse Mr S.

Finally, I've thought about whether Revolut could've done more to recover Mr S' funds but given the nature of the disputed payments, I don't think it could.

My final decision

For the reasons I've explained, 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 S to accept or reject my decision before 1 September 2025.

Kyley Hanson
Ombudsman