

The complaint

Miss K is being represented by solicitors. She's complaining about Revolut Ltd because it declined to refund money she lost as a result of fraud.

What happened

Sadly, Miss K fell victim to a cruel investment scam after she was contacted out of the blue and encouraged to put money into a fake investment scheme. After making a series of smaller investments, she was told she'd won a substantial prize and needed to pay to unlock this amount. After making a number of payments without receiving her prize, Miss K realised it was a scam.

Miss K set up a new Revolut account to fund payments to the scam. Between March and June 2023, she made the following transfers to a cryptocurrency exchange, after which the currency purchased was transferred to a wallet controlled by the scammers:

No.	Date	Amount £
1	29 Mar	1
2	4 Apr	300
3	4 Apr	300
4	4 Apr	300
5	2 May	2,761
6	5 May	1,400
7	15 May	1,070
8	24 May	1,150
9	31 May	1,000
10	29 Jun	1,150

Our investigator didn't recommend the complaint be upheld. He didn't think there were sufficient grounds for Revolut to suspect Miss K was at harm from fraud and was satisfied it was entitled to process the payments in line with her instructions.

Miss K didn't accept the investigator's assessment. Her representative made the point that payments to cryptocurrency carried a higher risk of being associated with fraud and argued this should have prompted Revolut to ask further questions that would have opened her eyes to the scam and prevented her losses.

The complaint has now been referred to me for review.

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.

There's no dispute that Miss K authorised the above payments. 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.

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 Miss K.

The payments

One of the key features of a Revolut account is that it facilitates payments that sometimes involve large amounts and/or the purchase of cryptocurrency. I must take into account that many similar payment instructions it receives will be entirely legitimate. In this case, 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 at the time, I'm not persuaded it ought to have been particularly concerned about them. While I accept payments to cryptocurrency carry a higher risk of being associated with fraud, this type of transaction wouldn't necessarily have been unexpected given Miss K gave purchasing cryptocurrency as one of the reasons for opening the account. Further, the amount of each payment was relatively low and the whole sequence of payments was spread out over a period of three months. So I don't think a pattern consistent with many common types of scam emerged.

Based on the circumstances of the payments in this case, I don't think there were sufficient grounds for Revolut to suspect Miss K was at risk of financial harm from fraud and I can't say it was at fault for processing them in line with her instructions.

I want to be clear that it's not my intention to suggest Miss K is to blame for what happened in any way. She fell victim to a sophisticated scam that was carefully designed to deceive and manipulate its 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 Miss K's losses once it was aware that the payments were the result of fraud.

I understand Miss K first notified Revolut of the fraud in September 2024, more than a year after the last payment. 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'm not surprised Revolut wasn't able to get anything back. In the circumstances, I don't think anything that it could have done differently would likely have led to these payments being recovered after this period of time.

In conclusion

I recognise Miss K 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 think Revolut acted fairly and reasonably in its dealings with her 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 Miss K to accept or reject my decision before 31 July 2025.

James Biles
Ombudsman