

The complaint

Mr K complains that Revolut Ltd did not refund a series of payments he lost to a scam.

What happened

Both parties are aware of the circumstances of the complaint, so I won't repeat them again in detail here. Mr K fell victim to an investment scam after speaking with a fake company that I'll call 'E'. Mr K had access to an online platform where he could see the progress of his trades and he deposited funds from his Revolut account to a cryptocurrency wallet in his name, before moving funds to the investment platform to trade with. He made the following card payments from his Revolut account:

Date	Amount
26/9/23	£3,000
03/10/23	£12,000
4/10/23	£10,000
11/10/23	£9,000
17/10/23	£20,000
18/10/23	£5,000
02/11/23	£8,350

Eventually, he realised he had been the victim of a scam and raised a claim with Revolut, who attempted to recover the funds but were unsuccessful. Mr K referred the complaint to our service and our Investigator looked into it. They initially upheld the scam, as they felt Revolut should have done more when it was clear the funds were going to cryptocurrency, but after receiving more information from the bank Mr K used to credit the Revolut account, that I will refer to as 'H', they did not think a refund was due.

Mr K's representative disagreed with the findings. In summary, they felt Revolut did not provide sufficient warnings after Mr K informed them that he was investing in cryptocurrency. The case was passed to me, and I issued a provisional decision in which I did not intend to uphold the complaint, but for different reasons to the Investigator. My provisional decision read as follows:

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 the payments were authorised, so the starting position is that Revolut isn't liable for the transactions.

There are, however, some situations where we believe that businesses, taking into account relevant rules, codes and best practice standards, shouldn't have taken their 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 interest of its customers and to follow good industry practice to keep customer's 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 Mr K.

I'd like to assure Mr K and Revolut that I've reviewed the complaint carefully in light of all of this. I'm really sorry to disappoint Mr K, but based on what I have seen so far, I'm not able to recommend that Revolut should be required to provide him with a refund.

I recognise that he made the payments as a result of fraud and I'm really sorry he lost this money. But having looked into what happened, I don't currently think Revolut should reasonably have been expected to prevent this.

This was a newly opened account with Revolut, so there was no genuine account activity for them to compare the scam payments to. I've considered the payee and whether it was identifiable that the funds were being used to purchase cryptocurrency. I'm aware the company Mr K made out the payments to was a parent company of a cryptocurrency exchange. On balance, I don't think it would have been clear based on the name of the payee or other factors such as the reference that this was going to a cryptocurrency exchange, as it was one step removed and I would not have expected Revolut to be aware of this.

With this in mind, considering that this was a newly opened account, and the payments were not clearly going to cryptocurrency, I think the point at which I would have expected an intervention was a relatively high bar. In this case, I think there should have been an automated warning on the payment of £12,000 that tried to identify the purpose of the payments and give a relevant warning based on what Mr K said. As well as a staff intervention on the payment of £20,000 in which I would have expected Revolut to refer him to an in-app chat for further questions.

However, even if Revolut had done this, I currently think that Mr K would have still wanted to go ahead with the payments. I say this because the initial payment towards the scam of £3,000 was picked up for additional checks. In this, Mr K selected the payment purpose as 'buying goods/services', even though there was an option to select investing as the reason for the payment. He also selected that he knew or had met the seller of the goods and had proof of ownership. It's unclear why Mr K chose this instead of the correct payment purpose.

I have also listened to a telephone call between Mr K and his current account provider, H, which he used to credit his Revolut account the same day. A representative from H asked Mr K what the transfer to his Revolut account was for and he confirmed it was to purchase different currencies as Revolut had good exchange rates available. However, Mr K used the funds to purchase cryptocurrency the same day with the purpose of investing the cryptocurrency immediately. I therefore think it is more likely Mr K was looking to disguise the true purpose of the payments from both H and Revolut, in order to ensure the payments went through smoothly.

I can also see the final payment, which was going to a different merchant, was picked up for additional checks by Revolut. Again, Mr K was asked what the purpose of the payment was. In this case, Mr K was paying into an account the scammer provided the details for in order to pay taxes on the returns. However, Mr K told Revolut he was transferring funds into another personal account in his name. Importantly, Revolut asked Mr K if he had been asked to download any software such as Anydesk and informed him that scammers might ask him

to download software like this to view his screen, spy on his details and help to set up an investment account. Mr K selected 'no', however I have seen in the chat between himself and the scammer that they reference using Anydesk during a phone call, seemingly to help Mr K request a reference number from the cryptocurrency exchange.

It is not possible for me to know exactly what would have happened had Revolut intervened on the payment of £12,000 and asked Mr K automated questions to find out the purpose of the payment and provide a relevant automated warning, or if they had referred him to an in app chat for the payment of £20,000. To come to an outcome that I think is more likely in the circumstances, I have to consider all of the information available to me, and that includes other interactions between Mr K and both Revolut and H. As I have set out above, Mr K appears to have taken steps to hide the true purpose of other payments connected to the scam, and to ignore other relevant warnings provided to him about screen sharing software.

With this in mind, the information currently available to me leads me to think it is more likely a proportional intervention would not have meaningfully revealed the scam and prevented further payments from being made. It follows that I do not think Revolut needs to reimburse Mr K in the circumstances.

I've also looked at whether Revolut took the steps it should have once it was aware that the payments were the result of fraud. Revolut has said that they tried to recover the funds, however they received confirmation a few weeks later that there were no funds to recover, so I don't think they could have done more in the circumstances.

Revolut did not respond to my initial findings.

Mr K's representative responded and did not agree with my initial findings. They said that the payments made towards the scam were unusual and high value, so should have triggered Revolut's fraud detection systems and lead to an in-app chat. And they felt the initial payment of £3,000 warranted a more thorough intervention.

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've carefully considered the points raised by Mr K's representatives and I will respond to these in turn. Firstly, I have acknowledged that some of the payments were unusual and warranted intervention prior to them being processed. And I confirmed that the higher value payment of £12,000 warranted an automated warning and the £20,000 payment warranted an in-app chat. However, I went on to explain that I thought it was unlikely Mr K would have been honest about the payment purpose so I did not think Revolut could have given a tailored and relevant warning to his situation. So overall I felt it was unlikely an intervention would have meaningfully revealed the scam and prevented further payments from being made.

Mr K's representatives also stated that more should have been done on the initial payment of £3,000. However, considering the fact Mr K selected 'goods and services' for the payment purpose, and said he knew or had met the seller, I don't think Revolut needed to probe more in the circumstances. This was not a particularly high value payment; it was not identifiably going to cryptocurrency and the answers Mr K had given did not arouse suspicion. So, I think it is reasonable that Revolut did not do more in the circumstances.

On balance, I see no reason to deviate from the findings set out in my provisional decision. For the reasons set out above, I do not think Revolut needs to reimburse Mr K in the

circumstances.

My final decision

I do not uphold Mr K's complaint against Revolut Ltd.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 17 April 2025.

Rebecca Norris
Ombudsman