

The complaint

Mr D complains that Revolut Ltd did not reimburse a series of payments he says he lost to a scam.

What happened

Mr D found an investment opportunity via social media, for a company I will refer to as TFX. TFX claimed to deal with FOREX trading and Mr D expected to receive between 6 and 10% of returns each month. Mr D reviewed the brochures he was given, looked over their website and spoke to other investors from a group chat he had been added to. He made the following payments from his Revolut account, which was opened shortly before the transfers:

Date	Amount
06/7/22	\$1,000
10/7/22	\$10,212.17
13/7/22	\$5,942.13
08/8/22	\$379.19
09/8/22	\$6,002.18
25/8/22	\$14,102.13

In December 2022, TFX transferred all their investor's assets into their own crypto coin, without the permission of their investors. After some time, Mr D attempted to withdraw his funds but was unable to. Eventually, he felt he had been the victim of a scam and raised a scam claim with Revolut, via a representative.

Revolut issued a final response letter in February 2024, in which they explained they did not have enough evidence to reach an outcome, so did not agree to reimburse Mr D. The complaint was referred to our service and our Investigator looked into it. They agreed that the second payment was of a high value and was an international payment, so should reasonably have been picked up for further checks.

But the Investigator did not think this would have prevented further payments from being made as Mr D had received official looking documentation from TFX who appeared to be regulated by an overseas regulatory body. He had spoken with other investors who appeared to have earned good money consistently and at the point that he made the payments, there were largely positive reviews online about TFX. With all of this in mind, the Investigator did not think a conversation with Revolut would have raised cause for concern so they did not think Mr D would have been prevented from making further payments towards TFX.

Mr D's representatives responded with a significant amount of information, largely around why they felt TFX was operating as a scam. They said, among other things, that TFX's license did not extend to the UK and other warnings had been provided by international regulators.

As an informal agreement could not be reached, the complaint has been passed to me for a final 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.

Mr D's representatives have provided detailed submissions to our service in relation to this complaint. In keeping with our role as an informal dispute resolution service and as our rules allow, I will focus here on the points I find to be material to the outcome of Mr D's complaint. This is not meant to be a discourtesy to him, and I want to assure him I have considered everything he has submitted carefully.

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 be good industry practice at the time.

Broadly speaking, the starting position in law is that an account provider is expected to process payments and withdrawals that a customer authorises it to make, in accordance with the terms and conditions of the account. And a customer will then be responsible for the transactions that they have authorised.

It's not in dispute here that Mr D authorised the payments in question as he believed they were part of a legitimate investment. So, while I recognise that he didn't intend the money to go to scammers, the starting position in law is that Revolut was obliged to follow Mr D's instruction and process the payments. Because of this, he is not automatically entitled to a refund.

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. So, I've also thought about whether Revolut did enough to try to keep Mr D's account safe.

Mr D did not have his Revolut account for long when he began investing in TFX. I can see that the second and the final payment in the list above were to international payees and were of significant enough value that I think Revolut should reasonably have had concerns Mr D could be at risk of financial harm. I therefore think Revolut should have intervened in these payments prior to them being processed, and should have referred Mr D to the in-app chat to discuss them further.

There is not a set list of questions I would have expected Revolut to ask Mr D, but in general I think they should have tried to find out how Mr D came across the opportunity, what he understood it to be, if he had carried out research in the company and what he expected to get out of the investment. Having carefully thought about what Mr D and his representatives have said, I think it is unlikely any intervention in July to August 2022 would have given Mr D or Revolut cause for concern and prevented further payments being made towards TFX.

At the point Mr D invested, he was aware of a number of individuals who had successfully received returns, and he regularly had calls and attended webinars about the opportunity. Mr D also received official looking documentation about one of the funds TFX had available, so I think it is likely he was convinced by the legitimacy of the investment.

Considering the value of the transactions, I would not have expected Revolut to carry out any research into the company itself, but I would have expected them to ask Mr D if he had

carried out any research himself. And I would have expected them to encourage him to research TFX if not. If Mr D had done so, he would have found at that time a number of positive reviews about TFX online, with the only negative ones largely being about customer service as opposed to people feeling scammed. And he also would have seen that they were registered with an international regulator.

I am aware Mr D's representatives have raised issues that the type of license TFX had did not extend to give them rights to provide services in the UK from December 2020 onwards. And there was at least one warning at that time provided by a separate international regulatory body.

However, it does appear TFX was registered with an international regulator, and I think this would likely have been a reason for Mr D to think the investment was legitimate. It's unclear if Mr D would have come across the warning available about TFX, but I do think he would have seen they were registered with a regulator as this was a feature of their advertising and a selling point for them. And on balance I think this would have made satisfied Mr D they were legitimate at that time.

Finally, Mr D has said he was expecting to receive between 6 and 10% of returns monthly. While this is a little high, this is generally to be expected of higher risk investments and I don't think it was so high that it could be seen as too good to be true.

On balance, I think it is unlikely that an intervention would have raised any cause for concern in the circumstances and prevented Mr D from making further payments. I therefore do not think Revolut needs to reimburse him in the circumstances.

I can see that Revolut did attempt to recover the funds from the beneficiary banks once the scam claim was raised. Unfortunately, they were unable to do so, and this is reasonable considering the time that had elapsed between the transactions occurring and the scam claim being raised with Revolut.

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 23 April 2025.

Rebecca Norris
Ombudsman