

The complaint

Mr T complains that Revolut Ltd won't refund the money he lost when he was the victim of a scam.

What happened

In March 2023, Mr T came across an advert online for an investment company endorsed by a well-known public figure. He followed the link in the advert, filled in his details on an enquiry form, and was then contacted by someone from the company. He made a payment to invest with the company from an account he held with another bank, but says the investment then didn't go any further.

In August 2023, Mr T then received a call from someone who said they worked for a cryptocurrency company. They told him they could see the investment he had made with the previous company had significantly increased in value, and that they could help him receive the money. Mr T then followed the instructions the caller gave him and made a number of payments from his Revolut account to purchase cryptocurrency, which he then sent on to the company – as he was told this would mean his previous investment could be paid to him.

A friend of Mr T's then said they had spoken to someone they knew about what he was being told to do, and that they thought Mr T was the victim of a scam. Mr T then reported the payments he had made to Revolut and asked it to refund the money he had lost.

Revolut investigated but said it had fulfilled its duty to protect Mr T by providing sufficient scam warnings and it wasn't at fault for processing the payments he had authorised. Mr T wasn't satisfied with Revolut's response, so referred a complaint to our service.

One of our investigators looked at the complaint. They didn't think anything we would have expected Revolut to have done would have prevented Mr T's loss. So they didn't think it would be fair to require it to refund any of the payments he had made. Mr T disagreed with our investigator, so the complaint has been passed to me.

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 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.

Taking into account relevant law, regulators rules and guidance, relevant codes of practice and what I consider to have been good industry practice at the time, I consider it fair and reasonable in August 2023 that Revolut should:

- have been monitoring accounts and any payments made or received to counter various risks, including preventing fraud and scams;
- 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 (among 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;
- have acted to avoid causing foreseeable harm to customers, for example by maintaining adequate systems to detect and prevent scams and by ensuring all aspects of its products, including the contractual terms, enabled it to do so;
- in some circumstances, irrespective of the payment channel used, have taken additional steps, or made additional checks, or provided additional warnings, before processing a payment – (as in practice Revolut sometimes does including in relation to card payments);
- have been mindful of – among other things – common scam scenarios, how the fraudulent practices are evolving (including for example the common use of multi-stage fraud by scammers, including the use of payments to cryptocurrency accounts as a step to defraud consumers) and the different risks these can present to consumers, when deciding whether to intervene.

But even if Revolut had identified that Mr T was at heightened risk of financial harm from fraud when making some of these payments, I don't think the action I would have expected it to take would have prevented his loss. I'll explain why below.

I'm satisfied Revolut ought to have identified that Mr T was at heightened risk of financial harm from fraud by at least the point he tried to make the payment for £1,000 on 17 August 2023. At this point, Mr T had tried to make ten payments to a cryptocurrency exchange over six days, totalling a significant amount of money – which is a pattern often seen when customers are falling victim to a scam. The payments were also identifiably related to cryptocurrency which, around this time, I think Revolut ought to have recognised meant they carried an elevated risk of being related to a scam.

I think a proportionate response to the risk I think Revolut should have identified would have been for it to carry out some sort of human intervention with Mr T, asking him a series of questions in order to try to establish the circumstances surrounding the payments and the actual scam risk, and then to provide him with a written warning relevant to that risk. But, had it done this, I'm not persuaded that it would have prevented Mr T's loss.

Revolut did intervene when Mr T made a number of these payments. It showed him a number of warnings and asked him a number of questions about the payments he was making.

Mr T was shown a warning which said that Revolut felt he was being scammed and so it needed to ask him some questions. He was then asked to select the purpose of the payment from a list of options Revolut gave him and, for four of the payments, Mr T selected that the payment was for an investment.

Revolut then asked Mr T a series of questions, including whether he had been asked to ignore scam warnings, was being pressured to act quickly or was being encouraged by someone he didn't know or had only met recently. But despite now telling our service that the cryptocurrency company had told him to ignore Revolut's warnings and were guiding him

on what to say, Mr T answered that he hadn't been told to ignore warnings, wasn't being pressured and wasn't being encouraged by someone he had only met recently.

Following these questions, Revolut showed Mr T a series of warnings, including that this could be an investment scam, that scammers may ask you to install software to view your screen and to not give anyone remote access. But despite having been asked to install remote access software so the cryptocurrency company could guide him to make the payments, Mr T continued with the payments.

For several of the payments, Mr T was then directed to a live chat with a Revolut agent and asked for some additional information. In these chats, Mr T was warned that scammers can pretend to be financial institutions. Revolut then asked whether Mr T had recently been contacted by anyone unexpectedly or had been asked to install any remote access applications, but he again answered that he hadn't. Mr T said no one was helping him with the payments. And Revolut warned Mr T never to transfer more money in order to access his funds but, despite this matching the circumstances of why he was sending the money, Mr T continued to make the payments.

For one of the payments, Mr T selected that the purpose of the payment was a transfer to his other account. Revolut then asked him a different series of questions including whether anyone was telling him how to answer these questions or he had been asked to install any software. But Mr T answered that he wasn't being assisted and hadn't been asked to install any software.

I recognise that Mr T only answered Revolut's questions in this way because he believed the cryptocurrency company was genuine and it told him to do so. But I think his willingness to follow the company's instructions and mislead Revolut means that, even if Revolut had asked more probing and in-depth questions about the payments he was making here, I think Mr T would likely not have given it accurate or complete information about the purpose or circumstances surrounding them – as happened with the questions he was asked.

I also don't think any warnings I would have expected Revolut to have shown him following the answers it got from those questions would have impacted his decision to continue making the payments – as the warnings it gave him did not. So I don't think anything I would reasonably have expected Revolut to have done here would have stopped Mr T from making the payments or losing the money he did.

I appreciate that Mr T has been the victim of a cruel and sophisticated scam and that my decision will come as a disappointment to him. He has lost a significant amount of money and I sympathise with the position he has found himself in. But I can only look at Revolut's responsibilities and, for the reasons I've set out above, I don't think anything I would reasonably have expected it to have done would have prevented the loss he suffered. And so I don't think it would be fair to require Revolut to refund the money Mr T has lost.

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T to accept or reject my decision before 26 September 2025.

Alan Millward
Ombudsman