

## The complaint

Mr R is being represented by solicitors. He's complaining about Revolut Ltd because it declined to refund money he lost as a result of fraud.

## What happened

Sadly, Mr R fell victim to a cruel investment scam. After responding to an advert he saw online, he was contacted by the scammer who introduced him to the idea of trading in cryptocurrency with the fake company. On the scammer's advice he opened an account with Revolut and downloaded screen-sharing software that allowed the scammer to set him up with an account on a fake trading platform.

In December 2023, Mr R used his new Revolut account to make the following payments to the scam:

No.	Date	Amount £	Type
1	8 Dec	500	Card
2	11 Dec	4,000	Transfer
3	12 Dec	2,000	Card
4	12 Dec	7,200	Transfer
5	13 Dec	10,000	Card
6	13 Dec	7,789	Transfer

Payments 2 and 4 to named individuals. According to the results of a Google search, payments 1, 3 and 5 went to a company that offers e-trading services, and payment 6 to a company that specialises in IT consultancy.

Our investigator didn't recommend the complaint be upheld. She felt Revolut took appropriate steps to question the payments and provide relevant scam warnings, noting that Mr R didn't provide accurate information about the reason for the payments during this process.

Mr R didn't accept the investigator's assessment. His representative argues Revolut's interventions weren't adequate, saying it didn't emphasise the importance of its questions and that the warnings provided weren't sufficiently prominent or tailored to the scam that was taking place.

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 Mr R 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 Mr R.

One of the key features of a Revolut account is that it facilitates payments that sometimes involve large amounts and I must take into account that many similar payment instructions it receives will be entirely legitimate. 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.

### *Payments 1 and 3*

Having considered what Revolut knew about payments 1 and 3 at the time, I'm not persuaded it ought to have been particularly concerned about them. The amounts involved was relatively low and it's not clear it should have identified the money was going to cryptocurrency. So I can't say it was at fault for processing the payments in line with Mr R's instructions.

### *Payment 2*

Again, it's not clear Revolut should have identified this payment was to purchase cryptocurrency, but it was for a larger amount and Revolut paused it, showing Mr R a screen saying the payment had been flagged as a potential scam. It then asked him further questions in the app. He was advised to answer the questions truthfully and warned that scammers may ask him to hide the real reason for the payment. In answer to Revolut's questions, Mr R said he hadn't been told how to answer the questions, to ignore its warnings, or to download screen-sharing software. When asked about the reason for the payment, he selected '*something else*' from a range of options that included investment. He was then shown a series of generic warnings and asked to confirm that he'd been told the payment was suspicious and understood the risk of losing his money.

On balance, I'm satisfied an automated intervention was broadly proportionate to the risks associated with this payment. And that the warnings shown were appropriate to the answers Mr R gave. His representative may argue that Revolut should have probed further on the

reason for the payment, but based on his response to later interventions (which I'll come to) I don't think it's likely he'd have disclosed what was really going on.

#### *Payments 4 and 6*

Again, it's not clear Revolut should have identified these payments were to purchase cryptocurrency, but the amounts were larger and Mr R had now made a number of sizeable payments in a short space of time since opening his account. In view of the risks this payment presented, I think Revolut should have taken steps to try and establish the circumstances of the payments.

I'm please to see that Revolut recognised this risk and paused the payments so it could carry out further enquiries. On both occasions, after going through a similar process to that described for payment 2, in which Mr R again answered the payments were for '*something else*', he was directed to Revolut's in-app chat to discuss them further.

The chat history shows Revolut's agent told Mr R the payments had been paused to protect him from a potential scam. He was also told of the importance of answering the questions honestly and that he shouldn't ignore any alerts he received. Despite this, when asked about the reason for the payments, Mr R said payment 4 was for a wedding gift and payment 6 was for website maintenance services.

#### *Payment 5*

I understand Revolut didn't carry out further checks before processing this payment. But based on Mr R's response to its enquiries about the other payments, I don't think it's likely he'd have disclosed the real reason for this payment if he'd been asked.

#### *Overview*

The success of any intervention in the payment process is dependent to some extent on the customer providing accurate information. In this case, Mr R wasn't clear about the reason for the payments and I've seen nothing to make me think Revolut had reason to doubt what it was told. If he had said he was investing, I would have expected Revolut to ask further questions and provide appropriately tailored warnings that may have helped to stop the scam. The fact he didn't meant this opportunity was missed.

I want to be clear that it's not my intention to suggest Mr R is to blame for what happened in any way. He fell victim to a sophisticated scam that was carefully designed to deceive and manipulate its victims. I can understand why he acted in the way he did. But my role is to consider the actions of Revolut and, having done so, I'm not persuaded these were the cause of his losses.

#### *Recovery of funds*

I've also looked at whether Revolut could or should have done more to try and recover Mr R's losses once it was aware that the payments were the result of fraud.

I understand Mr R first notified Revolut of the fraud in June 2024, more than six months 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 don't think anything that Revolut could have done differently would likely have led to those payments being recovered successfully after this period of time. And in respect of the card payments, the normal timeframe for making a chargeback request had passed by the time the fraud was reported.

### *In conclusion*

I recognise Mr R has been the victim of a cruel scam and I'm sorry he lost this money. I realise the outcome of this complaint will come as a great disappointment but, for the reasons I've explained, I don't think any further intervention by Revolut would have made a difference to the eventual outcome 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 to accept or reject my decision before 31 July 2025.

James Biles  
**Ombudsman**