

## **The complaint**

Miss E is unhappy that Revolut Ltd won't refund payments she made as part of a scam.

Miss E brings her complaint via professional representatives, but for simplicity I've referred to the actions of Miss E throughout this decision.

## **What happened**

In 2022 Miss E was told by a friend about an opportunity for investment training, through a company I'll call "V". As part of the offering, members were able to invest in V through buying 'education packages' and earning points on them. Miss E was told to set up an account with a cryptocurrency provider, as USDT had to be used to purchasing the packages. So she opened an account with S, who offer a range of services (some regulated) including the option to purchase cryptocurrency. Initially Miss E purchased the packages from her main bank account, at "H", over the course of a year, before switching to her Revolut account.

Miss E sent three faster payments from her Revolut account as part of the scam – all going to her wallet at S. The first one was for £10 on 12 April 2023, then the following day she sent £3,000, then 12 days later she sent £100. Once the funds were exchanged into USDT at S, the cryptocurrency was used to purchase 'packages' on V's platform. Revolut flagged the £3,000 transfer for a fraud check, and through in-app screens asked Miss E for the purpose of the payment. She selected 'payment for goods and services' and received warnings related to purchase scams, with the transfer then being processed.

Miss E was told rewards would accrue at around 2-3% weekly. When those rewards stopped she tried to withdraw her funds and couldn't. That's when she realised she'd been scammed. Miss E complained to Revolut in 2024, and argued the payments should be covered under the Contingent Reimbursement Model (CRM) – a voluntary code that provided refunds for fraud in certain scenarios. Revolut's final response said it didn't think it was liable to refund the loss. As Miss E was unhappy with the outcome, she referred the complaint to our service for review.

One of our investigators considered the complaint and didn't think it should be upheld. In her view, Revolut had intervened when it should have and provided a warning based on the purpose Miss E selected. The investigator didn't think Revolut could reasonably have been expected to do more in the circumstances. Miss E didn't accept the investigator's opinion – and was keen to stress that she hadn't misled Revolut about the purpose. She told us she'd chosen the option she thought best fit, as she was essentially buying packages that she hoped to earn interest on. Miss E also emphasized the impact of the fraud on her.

As the investigator's view remained the same, Miss E asked for an ombudsman to review the complaint. So the case was passed to me for a final decision on the matter.

## **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'm not upholding Miss E's complaint. I appreciate that will come as great disappointment to Miss E, who I know feels strongly that Revolut should have done more. I was also saddened to hear about how much the incident had affected her. There's no dispute that Miss E fell victim to a very persuasive scam. But what I must decide is whether Revolut ought to have been on notice she was at risk of financial harm, to the extent that it intervened further before processing the payments. On balance, I think Revolut acted fairly and proportionately to the risks that would have been apparent – and I've explained my rationale below.

In deciding what's fair and reasonable, I am required to take into account relevant law and regulations, regulators' rules, guidance and standards, and codes of practice; and, where appropriate, I must also take into account what I consider to have been good industry practice at the time.

In broad terms, the starting position at law is that Electronic Money Institutions ("EMI's") such as Revolut are expected to process payments and withdrawals that a customer authorises them 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.

But, 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 April 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 their 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;
- 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 do);
- 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.

Revolut have a difficult balance to strike in how it configures its systems to detect unusual activity or activity that might otherwise indicate a higher than usual risk of fraud. There are many millions of payments made each day, and it would not be possible or reasonable to expect firms to check each one. In situations where they do (or ought to) intervene, I would expect that intervention to be proportionate to the circumstances of the payment. It's worth noting that Revolut wasn't signed up to the CRM code, so that scheme isn't relevant here – and even if it was, these payments wouldn't be covered under it (as they went to an account in Miss E's name). The disputed transactions were also transfers, so not protected by chargeback scheme rules or section 75 of the Consumer Credit Act either.

The first and last payments sent were relatively low value, so I wouldn't have expected any intervention or warnings to be given for those (save a 'new payee' warning, reminding

customers to check they trust who they are paying – and Miss E did trust V). The £3,000 payment was a significant jump compared to (the limited amount of) previous account activity. It was going to an account at S in Miss E's name, and Revolut has said it recognised S was a cryptocurrency exchange. That meant the payment carried an increased risk as a result, given the prevalence in cryptocurrency related scams by this date. I'm not convinced Revolut would have known for definite that the transfer was cryptocurrency related, as S offers different services – but it has told us it suspected it was, so I've proceeded on that basis.

Revolut rightly intervened on that larger payment and asked for the purpose. I don't think Miss E was at fault for selecting the one for buying goods and services – that does fit the circumstances. But unfortunately the resulting warning wouldn't have resonated with what was happening. I think Miss E could reasonably have selected the cryptocurrency or investment options too – but I don't think doing so would have produced a different outcome. It could also be argued that Revolut should have shown a warning relating to the most prevalent cryptocurrency scams (involving fake investments), given it says it knew the payment was cryptocurrency related. But, again, I don't think that would have changed what happened here.

Whatever warning Revolut showed Miss E, I don't think any of them would have meant she didn't continue with the payment – and that's unfortunately due to the nature of the scam she was falling victim to. It wouldn't be reasonable to expect firms to have warnings covering every scam scenario, and the circumstances here were very specific. Miss E found the opportunity through a friend, who had been doing well with it and seemingly earning rewards, and she had researched V herself. An investment scam warning would have likely said to research the company and be wary of promotions through social media or cold calls, as well as returns that seemed too good to be true. None of those things would have concerned Miss E, as she'd seen her friend achieve the promised rewards and done research. This was a very persuasive scam, which duped lots of other investors and appeared legitimate. So I don't think an investment scam warning would have spoken to Miss E's situation enough to have stopped her in her tracks when making the transfer. She'd also already had one from H, and that hadn't resonated. V wasn't a cryptocurrency investment either (it was for education packages) – so a warning relating to those types of scams also wouldn't have resonated with her circumstances.

The only chance there was of uncovering what was happening was for one of Revolut's fraud agents to speak with Miss E, and probed her about the opportunity. But I'm not satisfied there were sufficient risk factors present indicating she was very likely being scammed to warrant that level of intervention (speaking to a person). An obvious scam pattern hadn't formed by then. So I think the automated warning screens Revolut provided were a fair intervention based on the characteristics of the transaction. It's just unfortunate that the scam was too specific in nature for any of the warnings that could have been provided to be relevant.

Miss E has been through something horrible and truly unfair. Feelings of guilt and shame are common in these scenarios, but definitely unjustified here – Miss E isn't at fault, and was the victim of a cruel and sophisticated scam. I am really sorry she's been affected so seriously by what happened, she has my deepest sympathies. What I've been asked to decide is whether Revolut ought to have prevented the loss, and I don't think it reasonably could have. There weren't sufficient risks evident that would mean it should have intervened further than it did. It's a shame Revolut's automated fraud checks and warning didn't work here, but I think that response was proportionate to the circumstances.

**My final decision**

My final decision is I don't uphold Miss E's complaint about Revolut Ltd.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss E to accept or reject my decision before 18 July 2025.

Ryan Miles  
**Ombudsman**