

## The complaint

Mr F complains that Revolut Ltd ('Revolut') won't refund the money he lost as the result of a scam.

## What happened

The background to this complaint isn't in dispute, so I won't go into detail.

Mr F says that in 2023 he was looking online for investment opportunities and found one with a company I'll refer to as J.

Previously, Mr F had lost money as the result of another investment scam, and J told Mr F they could help him make back the money he'd lost in a few days. J offered high returns and easy trading.

Mr F says he looked online but didn't see any negative information about J, so he decided to invest. Mr F made an initial deposit of £250 from an account he held with another bank and was able to withdraw £29.30 in profit a few days later.

Ultimately, Mr F was convinced to make further payments either as part of the investment, or in relation to capital gains tax J said he had to pay on the profits he'd made from investing.

These are the payments that Mr F made from his Revolut account.

Date	Pmt	Transaction description	Amount
17.2.2023	1	Transfer to S – a payment platform	£10,999.00
14.3.2023	2	Card payment to B – a cryptocurrency exchange	£15.00
14.3.2023		<i>Credit from B</i>	£29.30 <i>cr</i>
15.3.2023	3	Card payment to B – a cryptocurrency exchange	£15.00
17.3.2023	4	Card payment to B – a cryptocurrency exchange	£25.00
20.3.2023	5	Card payment to B – a cryptocurrency exchange	£500.00
20.3.2023	6	Card payment to B – a cryptocurrency exchange	£500.09
20.3.2023	7	Card payment to B – a cryptocurrency exchange	£600.00
20.3.2023	8	<i>Credit from B</i>	£196.40 <i>cr</i>
21.3.2023	9	Card payment to B – a cryptocurrency exchange	£4,172.00
22.3.2023	10	Card payment to B – a cryptocurrency exchange	£9,825.00
28.3.2023	11	Card payment to B – a cryptocurrency exchange	£4,130.00
28.3.2023	12	Card payment to C – a cryptocurrency exchange	£9,269.10
30.3.2023	13	Transfer to S – a payment platform	£6,500.00
31.3.2023		<i>Credit from S</i>	£6,500 <i>cr</i>
1.4.2023	14	Card payment to C – a cryptocurrency exchange	£1,420.00
3.4.2023	15	Card payment to C – a cryptocurrency exchange	£3,604.65
4.4.2023	16	Card payment to C – a cryptocurrency exchange	£5,149.50
6.4.2023	17	Card payment to B – a cryptocurrency exchange	£9,000.00
7.4.2023	18	Card payment to B – a cryptocurrency exchange	£10,000.00
7.4.2023	19	Card payment to B – a cryptocurrency exchange	£250.00

18.4.2023	20	Card payment to B – a cryptocurrency exchange	£5,000.00
18.4.2023	21	Card payment to C – a cryptocurrency exchange	£5,000.00
18.4.2023	22	Card payment to B – a cryptocurrency exchange	£1,000.00
19.4.2023		<i>Credit from B</i>	<i>£775.02 cr</i>
21.4.2023	23	Card payment to C – a cryptocurrency exchange	£12,500.00
22.4.2023	24	Card payment to C – a cryptocurrency exchange	£7,492.52
22.4.2023	25	Card payment to C – a cryptocurrency exchange	£4,510.96

Mr F realised he'd been the victim of a scam when he didn't receive the withdrawal of his investment as promised and the scammer stopped communicating with him.

Mr F raised a scam claim with Revolut, who declined to refund him. Revolut said there aren't any chargeback rights on the card payments, as the payments were authorised, and the goods/services (cryptocurrency) were received. Revolut say Mr F was shown warnings when he made some of the payments, and that he disregarded red flags, so they aren't liable.

Mr F wasn't happy with Revolut's response, so he brought a complaint to our service.

An investigator looked into Mr F's complaint but didn't uphold it. The investigator felt that even if Revolut had intervened on further payments or asked additional questions, Mr F's loss wouldn't have been prevented. They highlighted that Mr F was being coached by the scammer on how to answer Revolut's questions and he hadn't been honest with Revolut.

Mr F disagreed with the investigator's opinion and asked for an ombudsman to review his case. He raised the following points:

- As he had previously fallen victim to a scam, he was particularly vulnerable and Revolut had a duty of care to protect him.
- If Revolut had provided more detailed warnings, he might've recognised that he was the victim of a scam.
- Revolut should've provided additional warnings and taken further preventative steps like human 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'm really sorry that Mr F has fallen victim to such a cruel scam. But, having carefully considered the evidence, I've reached the same outcome as the investigator. I'll explain why.

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 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.

However, Revolut should have been on the 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. And, 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.

### Revolut's intervention

When Mr F made his first payment of £10,999 to S, Revolut asked for the purpose of the payment. Mr F was shown two screens initially, which referenced victims losing millions every year to scams and fraudsters being professionals.

Mr F said the payment was related to a safe account, and he was shown two additional screens with warnings that said fraudsters could impersonate financial institutions and Revolut would never ask a customer to move their money to a safe account.

Revolut intervened again on 22 March 2023 and referred Mr F to their in-app chat to talk to a specialist. As part of this Mr F was asked a number of questions including: what device he was using, whether he used any finance managing or share wallet applications, whether he'd recently downloaded any screen sharing applications, and whether he'd recently been called by anyone telling him to make an outbound transfer.

Mr F responded saying he was just doing transactions on Revolut and B, the payment was for investment and answered no to the other questions.

Revolut went on to ask further questions which included: whether anyone was pressuring him to act quickly due to risk of missing out on an investment opportunity, had he been promised returns which possibly seemed too good to be true such as doubling his investment in a month or receiving guaranteed returns, whether he'd conducted any research, whether he understood what he was investing in, and whether he'd been contacted or encouraged to invest by someone he didn't know or had only met online recently.

Mr F said no to all questions.

### When should Revolut have intervened and what should that intervention have looked like?

Taking into account that this was a new account with no previous activity to compare Mr F's transactions to, I would've expected Revolut to intervene on payment one. It was a large payment and Mr F selected "safe account" as the payment purpose.

So, I would've expected Revolut to have asked Mr F about the purpose of the payment, which they did. And, in response, have provided a tailored written warning onscreen, which they did. As part of this intervention, I would've expected Revolut to have satisfied itself that Mr F wasn't at risk of a safe account scam. This might've required Revolut to refer Mr F to their in-app chat so they could ask more open questions about the payment he was making. But, even if I was satisfied that human intervention should've happened at this point, it wouldn't change the outcome – which I'll explain shortly.

I would've expected Revolut to have intervened again on payment nine. At this point, I would've expected Revolut to have gone a step further than providing an onscreen warning by referring Mr F to a specialist through their in-app chat to discuss the payment. This payment was identifiably related to cryptocurrency and was the fourth payment Mr F had made that day – which was a new pattern for his account.

As part of the human intervention with their in-app specialist, I would expect Revolut to have asked Mr F open questions about the payment to identify the type of scam he might be at risk of falling victim to. The type of questions that I'd expect Revolut to ask are similar to the questions they asked when they intervened on the 22 March 2023. Based on the answers Mr F gave, I would expect Revolut to have provided a tailored warning based on the risk they identified.

Revolut intervened on 22 March 2023, as they had concerns about the activity on Mr F's account. As part of this they transferred Mr F to their in-app chat and asked him a number of questions, including: whether he was using any finance managing or shared wallet applications, whether he'd downloaded any screen sharing software, what the nature of his account was, what the purpose was of his account and whether he'd received a call from anyone telling him to open a Revolut account and make outbound transfers.

In response, Mr F said the purpose of the account was "investments". So Revolut asked further questions which included: whether he was being pressured to act quickly at risk of missing out on an investment opportunity, whether he had been promised returns which possibly seemed too good to be true or that he'd receive a guaranteed return, whether he'd conducted any research and what he understood that he was investing in.

Mr F responded, "no to all of the above". Based on Mr F saying no, Revolut say they were satisfied that Mr F wasn't at risk and didn't provide a warning. As Mr F had said that he was making the payments related to investment, I still would've expected Revolut to have provided a warning at this stage, despite Mr F's answers.

I wouldn't have expected Revolut to intervene on any of the subsequent payments, as they were in line with the previous payments and weren't so unusual that I think Revolut should've been concerned. However, even if I agreed Revolut should've intervened on any of the subsequent payments, it wouldn't change the outcome and I'll explain why below.

#### Could Revolut have prevented Mr F's loss?

Even if I'm persuaded that Revolut didn't ask enough open or probing questions, that they should have provided human intervention on payment one, or that they should've provided a warning and didn't - I'm not satisfied that this would've prevented Mr F's loss.

I say this because Mr F was running all of the questions he was being asked past the scammer and they were telling him how to answer the questions. I can also see that the scammer often called Mr F before he made payments or, possibly, while he was making them.

If Revolut had referred Mr F to their in-app chat in relation to payment one, I think it's more likely than not further probing would've identified that the payment was related to an investment. I think this would also have been the case when Mr F made payment nine.

In response to identifying that Mr F was at risk of falling victim to a cryptocurrency investment scam, I would've expected Revolut to have provided a tailored warning highlighting the key aspects of these scams. This would've included: that investments are often advertised on social media sites, there is usually a high-profile celebrity endorsement, the returns are often too good to be true and returns are often guaranteed.

But, in this case, the investment wasn't advertised on social media and wasn't endorsed by a high-profile individual, so I don't think those features would've resonated with Mr F.

The key features of the returns being too good to be true and being offered guaranteed returns, were part of the scam Mr F was falling victim to. However, despite Revolut asking questions specifically about these features, Mr F told Revolut he hadn't been promised this. It's also worth noting that Mr F's bank, which he used to fund the payments from his Revolut account, also intervened. They asked Mr F if there was a third party involved in his payments, but Mr F didn't honestly answer their questions either and said no.

Based on the messages that Mr F exchanged with the scammers, it's clear that they were coaching him on what to tell Revolut and his bank. I can't see that Mr F had any concerns or asked the scammers any questions in relation to being told to lie to his bank and Revolut, or that he had any concerns about the questions Revolut asked him – which fit the circumstances under which he was making the payments.

Mr F was so under the scammer's spell that I'm not satisfied Revolut would've been able to break that spell. So, even if Revolut had asked more questions or provided a tailored warning through their in-app chat, I'm not persuaded that it would have prevented Mr F's loss.

#### Mr F's vulnerability

I understand that Mr F would've been more vulnerable to this scam, having previously fallen victim to an investment scam. But, I can't see that Revolut were aware of that prior scam or that Mr F told them about his vulnerabilities. This account was opened as part of this new scam, so Revolut had limited information available to them.

As Revolut weren't aware of Mr F's vulnerability, I wouldn't have expected them to take any additional steps in relation to the payments he made.

#### Recovery of funds

All of the card payments to B and C were to purchase cryptocurrency, so Revolut couldn't have recovered these funds. I say this because chargeback only looks at the merchant (B and C), and whether they've provided the goods or services (in this case cryptocurrency) - not the end destination of the funds which is an account controlled by the scammer. So, no chargeback rights existed in Mr F's situation.

In relation to the transfers to S, Mr F only experienced a loss in relation to the first payment - as the second payment to S was returned. As S provide a money transfer service, I'm not satisfied that Revolut would've been able to recover these funds. In these situations, the funds are transferred on within minutes of being received, so by the time Mr F raised a scam claim a number of months after the payment, I'm not satisfied it's more likely than not any funds would've remained.

I'm really sorry to disappoint Mr F and understand why it is so important to him to recover these funds. But, based on the evidence, I'm not satisfied that I can fairly hold Revolut liable for his loss or ask them to refund him.

#### **My final decision**

My final decision is that I don't uphold this complaint against Revolut Ltd.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr F to accept or reject my decision before 27 May 2025.

Lisa Lowe  
**Ombudsman**