

The complaint

Mr L complains that Revolut Ltd (“Revolut”) have failed to refund money that Mr L lost as part of a scam.

What happened

Mr L found an advert on a social media site for a company that purported to be an investment firm but was actually a scammer that I will call B.

Mr L made a few payments to B but when he tried to withdraw his profits he was unable to. He then discovered a company that I will call C that said it could recover the profits that Mr L had made. Mr L sent over £60,000 via debit card payments and one crypto transfer via a number of crypto exchanges between February and September 2023 to B and C but remained unable to withdraw his funds. At this point Mr L realised he had been scammed twice.

Mr L raised a complaint with Revolut as he believed that Revolut should have stopped him from making the payments all of the payments to B and C.

One of our investigators looked into this matter and they did not uphold this complaint.

Mr L did not agree with this and therefore his complaint was passed to me to issue 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.

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.

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 February 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;

- 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 multistage 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.

I think that when a £3,000 payment was made on 22 February 2023 to a crypto exchange Revolut should have intervened. I think a proportionate intervention at this point would have been a written warning, setting out the common features of crypto scams. I understand Revolut didn't do this. So, I've then thought about whether a warning from Revolut at that point could've prevented Mr L sending the payment.

Having done so, I'm not persuaded it would've prevented Mr L from losing his funds. A warning about crypto scams at this point would likely have set out the common features of a crypto scam. These would be things like an advert on social media fronted by a celebrity, being asked to install remote access software, having a broker and quickly making large profits that you have to pay to release. But I don't think that this would have stopped Mr L, because later on in the scam, the bank that the funds originated from did mention in a call that Investment opportunities found on social media which promised quick and large profits were likely scams. This, based on the scam chat, took place whilst Mr L was still sending funds to what he thought was an investment. So if him being told this did not stop him from continuing to send funds to the scammer, I don't think a written warning would have either.

I think when Revolut should have contacted Mr L and asked further questions about the nature of the payments was when Mr L made 6 payments of £3,000 on 29 June 2023. But again I don't think that this would have prevented or uncovered the scam. I say this because if Revolut had asked questions, I think Mr L would not have been forthcoming about what he was doing. I say this because he was clearly under the spell of the scammer by this point and based on the scam chat the scammer is instructing Mr L what to say when he had difficulties with one of the crypto exchanges.

So had Revolut asked questions about the payments, for example through its in app chat, I think that Mr L would have asked the scammer what to say to allow the payments to go through. I should also add that in the call between the originating bank and Mr L he told it that he was sending funds to his Revolut in order to pay bills when it is clear that he was sending the funds to Revolut to send to a crypto exchange and the scammer. He also said that the loan that he had recently taken out was for debt consolidation, when in fact he was using the funds to "invest" with the scammer. This again makes it more likely than not that Mr L would not have been forthcoming with Revolut had questions been asked about the payments.

So overall I think that Revolut should have intervened more than it did but I do not think that this would have likely stopped or uncovered the scam.

I've also thought about whether Revolut did enough to attempt to recover the money Mr L lost. In this instance, the CRM does not apply as Revolut are not part of it. I also don't think that the a chargeback should have been attempted for the card payments, as they were essentially a means to send funds from his Revolut account to the crypto exchanges - which is what happened.

I appreciate this will come as a disappointment to Mr L, and I'm sorry to hear he has been the victim of a cruel scam. However, I'm not persuaded that Revolut can fairly or reasonably be held liable for his loss in these circumstances.

My final decision

For the reasons given above, I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 11 April 2025.

Charlie Newton
Ombudsman