

The complaint

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

What happened

In early 2024, Mr C was looking to make money investing and reached out to someone he had been following on social media who appeared to have been successful investing in cryptocurrency. He was then told to sign up to an investment platform and to send money to the platform by purchasing cryptocurrency and sending it on to wallet details he was given.

Mr C then made two payments from his Revolut account to an account he held with another bank, before purchasing cryptocurrency using the money in the other account and sending it on to the wallet details he was given. I've set out the payments Mr C made from his Revolut account below:

Date	Details	Amount
1 May 2024	To other account	£10,850
15 May 2024	To other account	£1,503.10

Unfortunately, we now know the investment platform was a scam. The scam was uncovered after Mr C tried to withdraw the profit the platform showed he had made. But he was told he had to pay a number of fees before he could withdraw, so Mr C realised he had been the victim of a scam.

Revolut investigated but said it had fulfilled its duty to Mr C by showing him sufficient scam warnings. So it didn't agree to refund the money he had lost. Mr C wasn't satisfied with Revolut's response, so referred a complaint to our service.

One of our investigators looked at the complaint. They thought the action Revolut had taken was proportionate to the risk associated with the payments Mr C had made. So they didn't think it should have to do anything further or refund any of the money Mr C had lost. Mr C 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.

Having done so, I don't think it would be fair to require Revolut to refund the money Mr C lost here. I'll explain why below.

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 May 2024 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);
- 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.

I'm satisfied Revolut ought to have recognised that Mr C was at heightened risk of financial harm from fraud when he tried to make the first payment here, for £10,850 on 1 May 2024. This payment was for a significant amount, for an amount significantly higher than any other payment made out of Mr C's account in the previous months, and used up almost all of the available balance in his account.

And I think a proportionate response to the risk I think Revolut should have identified here would have been for it to carry out some sort of intervention with Mr C to attempt to establish the circumstances surrounding the payment, before allowing it to debit his account.

But Revolut did carry out an intervention with Mr C before he made this first payment. It stopped the payment and showed him a warning which explained that it had been flagged by its security system as a potential scam. Revolut then asked Mr C to select the reason why he was making the payment from a list of options it gave him – and Mr C selected that the payment was a transfer to another account he held.

Revolut then asked Mr C a series of questions about the circumstances surrounding the payment – including about whether anyone was telling him how to answer its questions, what kind of account he was sending the money to and whether he had control of the account he was sending the money to.

Revolut then also showed Mr C a number of warning messages, based on the purpose he had told it the payment was for – including that fraudsters could pretend to be financial institutions and to never ignore warnings it gave him. But Mr C chose to continue to make the payment.

So Revolut did carry out an intervention with Mr C before allowing him to make this payment and, based on the information it knew and was given about the payment, I think the

intervention it carried out was proportionate. Mr C said the payment was to another of his own accounts that he had control over. From his statements I can see that he had made a number of payments between his Revolut account and that other account in the previous months, so his explanation will have seemed plausible and genuine to Revolut. And I don't think Revolut was or ought to have been aware of anything else particularly unusual or suspicious about the circumstances surrounding the payment.

I don't think it was unreasonable for Revolut not to ask any further questions here as, based on the information it was given, I think it was reasonable for it to conclude that it understood the risks associated with the payment. And I think the warnings it then showed Mr C were a relevant and appropriate response to these risks it had identified.

I therefore think the intervention Revolut carried out and the warnings it showed Mr C here were proportionate to the risk I think it should have identified from the payment he was making. And I don't think it would be fair to say it had acted unreasonably in not taking further action.

In any event, from what I've seen of his communication with the other bank he sent the money to, even if Revolut had asked more probing and in-depth questions about the circumstances surrounding this payment I don't think anything I would reasonably have expected it to have done would have stopped Mr C from making the payments or losing the money he did.

The second payment Mr C made here was for a significantly smaller amount. And so I wouldn't have expected Revolut to identify that he could be at heightened risk of financial harm from fraud as a result of it, or carried out any further intervention before allowing it to leave his account.

I appreciate that Mr C has been the victim of a cruel 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 Revolut has acted unreasonably here. And so I don't think it would be fair to require Revolut to refund the money Mr C 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 C to accept or reject my decision before 8 August 2025.

Alan Millward
Ombudsman