

## **The complaint**

Mr J complains that Revolut Ltd did not refund the money he lost to a scam.

## **What happened**

Mr J was browsing on social media and came across an investment opportunity with a company I'll refer to as 'X'. He clicked onto the website which appeared to be professional, and he filled out a form. He made an initial investment of £250 on 24 February 2023, followed by a further £1,000 the following day. He made the payments from his Revolut account to a cryptocurrency account in his name, before passing it onto X.

A representative from X reached out to Mr J and spoke with him over messages and phone calls. He was encouraged to invest more, and he did so. After some time, Mr J was led to believe he had over £300,000 in returns in the investment, and he needed to pay fees and taxes to release the money. Between 24 Feb 2023 and 11 April 2023, Mr J sent over £120,000 to X and this was largely funded by loans Mr J took out.

When Mr J still did not receive the returns he expected, he raised a scam claim with Revolut as well as his sending bank which he credited the Revolut account from. Revolut issued a final response letter explaining they would not be raising a chargeback claim for Mr J as there was no valid chargeback claim in the circumstances. And they did not agree to reimburse him with the funds he lost to a scam.

Mr J referred his complaint to our service and our Investigator looked into it. They did think that Revolut should have done more to intervene in the payments that were identifiably going to cryptocurrency, and that Mr J should have been referred to an in-app chat for further questions about the payments. They felt that Revolut had missed multiple opportunities to meaningfully intervene in the payments and ask questions about them, as well as provide relevant warnings.

But they did not think such intervention would have prevented further payments from being made towards the scam. They mentioned intervention calls made by the third-party bank he used to credit the Revolut account, which I will refer to as 'B'. In these calls, Mr J was not fully honest with B about any individuals helping him or advising him on the investment. And B blocked Mr J's current account on multiple occasions and provided warnings that he was falling victim to an investment scam. Despite this, Mr J went on to take out further loans and transfer over £50,000 to the scammer. So, they felt it was unlikely a written warning from Revolut could have done more to prevent Mr J making further payments towards the scam and they did not recommend reimbursement.

Mr J's representative disagreed with the findings. They reiterated that Revolut should have intervened in the payments sooner and it was more likely an earlier intervention could have broken the spell of the scam. They also felt a phone call during the manual review of the account on 24 March 2023 could have prevented further loss.

As an informal agreement could not be reached, the complaint has been passed to me for 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 deciding what's fair and reasonable in all the circumstances of a complaint, I'm required to take into account relevant: law and regulations; regulators' rules, guidance and standards; codes of practice; and, where appropriate, what I consider to be good industry practice at the time.

Broadly speaking, the starting position in law is that an account provider is expected to process payments and withdrawals that a customer authorises it to make, in accordance with the terms and conditions of the account. And a customer will then be responsible for the transactions that they have authorised.

It's not in dispute here that Mr J authorised the payments in question as he believed they were part of a legitimate investment. So, while I recognise that he didn't intend the money to go to scammers, the starting position in law is that Revolut was obliged to follow Mr J's instruction and process the payments. Because of this, he is not automatically entitled to a refund.

The regulatory landscape, along with good industry practice, also sets out a requirement for account providers to protect their customers from fraud and financial harm. And this includes monitoring accounts to look out for activity that might suggest a customer was at risk of financial harm, intervening in unusual or out of character transactions and trying to prevent customers falling victims to scams. So, I've also thought about whether Revolut did enough to try to keep Mr J's account safe.

Mr J opened the Revolut account for the purposes of the scam, so there was very little genuine account activity for them to compare the scam payments to. The initial few payments were not of particularly high values, so even though they were going to cryptocurrency merchants, I don't think this alone was enough of a risk factor to say Revolut should have intervened. There was then a gap of a few weeks before Mr J began making payments towards the scam again.

On 15 March 2023, Mr J made a series of payments to various cryptocurrency merchants, and I think by the third or fourth payment that day Revolut should reasonably have had concerns he could be at risk of financial harm. I say this because the pattern of the payments was increasing, and he was making card payments of £2,000 to £3,000 per time. On balance, I think the overall value and increasing frequency of the payments meant Revolut should have intervened with a tailored warning at the minimum, though an in-app chat would also have been appropriate at that stage.

I can see that Revolut did stop two payments relatively early in the scam, one for £2,000 on 15 March and another for £2,000 on 16 March, both to different merchants. Each time, the payment was cancelled, and Mr J was asked to choose from a drop-down list of payment purpose options, one of which was related to cryptocurrency. However, each time Mr J chose that he was sending money to a 'safe account'. I would have expected Revolut at that stage to refer Mr J to an in-app chat about these payments, as a reference to a 'safe account' can be an indication of a different type of scam. Instead, Revolut gave Mr J a set of warnings related to safe account scams.

Revolut also carried out a manual review of Mr J's account on 24 March 2023. After some delays in Mr J providing evidence of his identity, Revolut asked him some additional questions on 29 March about the devices he used to access his account and whether he had

downloaded any screen sharing software. Even though the scammer had asked him to download this kind of software, Mr J said he used it for work related reasons, and no one had asked him to download it. Though Mr J initially asked for the account to be unblocked so he could use it, he eventually admitted that he had filled in a report with B and needed help getting his losses back. The Revolut account remained blocked for just under a week before it was unblocked again, and he was able to use it. At which point, Mr J went on to make another almost £45,000 of payments towards the scam.

There were other points at which Mr J was making multiple payments in one day, in relatively quick succession, to various cryptocurrency merchants. Each time, Revolut did not stop further payments and refer Mr J to an in-app chat to discuss his spending and explore whether he was a victim of financial harm as I would have expected. On balance, I do not think Revolut did enough in the circumstances to ensure Mr J was not falling victim to a scam sooner.

I have gone on to consider whether I think an intervention from Revolut would have made a difference in the circumstances. On balance, having considered all of the evidence available to me including the evidence obtained from B, I don't think that it would. I'll explain why in more detail.

I have been provided evidence by B, and this shows the various communications they had with Mr J during the scam. On 16 March 2023, they paused a payment to the Revolut account due to concerns about his account usage and they spoke with Mr J, I have listened to a copy of this telephone call. In this call, Mr J said he was using the funds for an investment and eventually said the end destination of the funds was a cryptocurrency merchant. However, he did not admit to being helped or advised by anyone, or that he was promised significant returns. The call handler explained they felt he was a victim of a scam and highlighted features of a cryptocurrency investment scam, including that if he was asked to pay fees to access any returns tied up in the investment it was a scam. The call handler said they would be cancelling the payment and referred Mr J to a branch to unblock his account again.

A few days later, Mr J telephoned Barclays again and said he was unsure if he was the victim of a scam or not, but unfortunately, due to him not passing security, the call handler could not discuss this further and referred him to a branch. Mr J went into a branch on 23 March to verify his identity and said he felt he had been the victim of a scam. It is likely that this was the cause of the manual review on his Revolut account. Despite raising this scam claim, Mr J attempted to make further payments towards the scam from his account with B because his Revolut account was blocked at that time. It therefore appears Mr J was attempting to use whatever account was not blocked at that time to carry on making payments towards the scam, which he had clearly been warned about and also seemed to accept was a scam. And even after raising the scam claim with Barclays, he went on to take out further loans and make more payments towards the scam in April 2023.

I therefore think it is unlikely that an in-app chat with Revolut, which is their usual method of communication, or even a phone call, would have prevented Mr J from continuing to make payments towards the scam. He had received clear warnings about investment scams that matched his situation, he had been referred to branch where he accepted that he had been the victim of a scam and raised a scam claim and yet still went on to make a significant amount of payments towards the same scam. And while he had explained he was making payments towards an investment when questioned, he had also misled his account providers about some details, such as having an advisor and using screen sharing software on the instruction of the scammer. So, it is difficult to agree that any intervention from Revolut would have significantly changed this and prevented further payments from being made.

There is an argument that after the manual review block had been lifted, Revolut could have gone on to block the later payments and refuse to process them, as they were on notice Mr J had been the victim of a scam. But I have to acknowledge that Mr J had taken steps to use a different account when one was blocked, even though he had acknowledged at that point he was the victim of a scam. So, I also think it is likely that had both his Revolut account and his account with B been blocked at the same time, he would have found another account to send the payments from instead.

On balance, I don't think an intervention from Revolut would have prevented Mr J from making the payments he did towards the scam. I accept Revolut could have intervened a day earlier than B did and provided warnings relevant to his situation, but I don't think this would have been more any more persuasive than the intervention from B or any more likely to prevent Mr J from making the payments that he went on to make towards the scam. The communication between Mr J and the scammer show they only really started to talk to each other actively around 14 March. This is only one day before when I think Revolut could reasonably have intervened, and only two days before B did intervene. So, I don't think the timing of the intervention would reasonably have made a difference in the circumstances.

Revolut has correctly set out that they were unable to raise a chargeback claim for the card payments. The chargeback scheme is voluntary and run by the card issuers and not Revolut. Its purpose is to resolve disputes between merchants and consumers. In this case, Mr J's dispute is with the scammer and not the merchants, and I note the merchants have provided the service paid for, namely the purchasing of cryptocurrency. So, I agree there was no grounds for Revolut to raise a chargeback claim in the circumstances.

I understand that this will be very disappointing for Mr J, and I recognise that he has been the victim of a cruel and manipulative scam. But I do not consider that it would be fair to hold Revolut responsible for his loss, so I won't be asking it to refund any of that loss to him.

### **My final decision**

I do not uphold Mr J's complaint against Revolut Ltd.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr J to accept or reject my decision before 7 July 2025.

Rebecca Norris

**Ombudsman**