

The complaint

Mrs C is unhappy that Revolut Ltd haven't refunded money she lost as a result of a scam.

Mrs C is being represented by a claims management company but for ease of reference I'll only refer to Mrs C here.

What happened

The detailed background to this complaint is well known to both parties. So, I'll only provide a brief overview of some of the key events here.

In March 2024 Mrs C saw an advert on social media endorsed by a British TV program and a celebrity. She made an enquiry on the advert and was contacted by a representative of a merchant. She was given some information on the merchant and referred to a website before being told how crypto investing worked. Mrs C agreed to set up an account and downloaded a screen sharing platform to help her set up accounts at genuine crypto exchanges. Mrs C was told to use an old Revolut account that had been set up before she met the merchant to send money for the investment. In total she sent the following payments;

Date	Time	Type of transaction	Amount
27 April 2024	13:22	Card payment to crypto exchange	£100
27 April 2024	13:43	Faster international payment	£150
27 April 2024	13:48	Faster international payment	£15,770
Total Loss			£16,020

Mrs C was told by the merchant to send money to a genuine crypto exchange but after the crypto exchange said they didn't accept payments from Revolut she was then told that someone who worked with the merchant had purchased some Bitcoin for her and she could send money to that individual instead.

After the money was sent to the individual Mrs C asked about withdrawing profits as she had been told she could make some withdrawals within a few days. But she was repeatedly asked to invest more money. Mrs C then realised she had been scammed when the merchant refused to refund her money.

Our investigator didn't think the complaint should be upheld. She said Revolut did provide a warning to Mrs C, but this was ignored. So, she didn't think Revolut could've done more here to stop this scam.

Mrs C disagreed and asked for an Ombudsman's review. She said Revolut allowed suspicious payments to leave her account with very minimal intervention.

I was allocated the complaint and was minded to uphold it. I thought that Revolut could've done more here when Mrs C sent a £15,770 payment internationally to a new payee and if it had then the scam would've likely been uncovered.

Revolut didn't respond to my initial conclusions.

Mrs C accepted.

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 believe that this complaint should be upheld in part and for largely the same reasons.

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

I've read and considered the whole file. But I'll concentrate my comments on what I think is relevant. If I don't mention any specific point, it's not because I've failed to take it on board and think about it, but because I don't think I need to comment on it to reach what I think is a fair and reasonable outcome.

It is common ground that Mrs C authorised the scam payments of around £16,020. I accept that these were authorised payments even though Mrs C was the victim of a scam. So, although it wasn't her intention to pay money to the scammers, under the Payment Services Regulations 2017 (PSRs) and the terms of her account, Mrs C is presumed liable for the loss in the first instance.

However, taking into account the law, regulatory rules and guidance, relevant codes of practice and good industry practice, there are circumstances where it might be appropriate for Revolut to take additional steps or make additional checks before processing a payment in order to help protect customers from the possibility of financial harm from fraud.

Revolut's first obligation is to follow the instructions that Mrs C provides. But if those instructions are sufficiently unusual or uncharacteristic for the account, I'd expect Revolut to intervene and to ask their customer more about the intended transaction before processing it. I'd also expect Revolut to provide suitable warnings about common scams to help their customers make an informed decision as to whether to continue with the payment. There might also be cases where it's appropriate for Revolut to refuse to follow the instruction if there are good grounds to believe it is being made because of fraud or a scam.

I think there was enough going on here that Revolut should've stopped the £15,770 payment on 27 April 2023. By that point Mrs C had sent almost £16,000 to a new international payee. This payment was also funded by a £16,000 returned payment from a crypto exchange less than two hours earlier. So, I think Revolut should've considered this was suspicious activity (like it did when it stopped a £16,000 payment Mrs C made to herself earlier that month). As a result, it should've stopped the £15,770 payment and asked Mrs C why she was making it. I now need to consider what action Revolut should've taken and whether that would've made a difference.

On 11 April 2023 Mrs C was asked by Revolut why she was making a payment to herself for £16,000. She said that she was making 'an investment'. So, I'm satisfied that Mrs C would've told Revolut that the reason she was making a payment internationally to a new payee was for an investment. I think that answer as well as the payment destination, would've seemed suspicious to Revolut in the circumstances because sending such a large amount to a new payee abroad for an investment would be unusual for Mrs C's account.

Revolut had given an investment warning earlier in the month. So, because the payment itself, its destination and most likely the payment reason Mrs C would've provided were unusual, I think Revolut should've invited Mrs C to the in-app chat here to find out a bit more about this payment and to ask some probing questions. When doing so, it could've asked what sort of investment Mrs C was involved with, the payee's involvement and how she had discovered the investment opportunity. I've not been provided with any persuasive evidence that Mrs C had been told to ignore any warnings or that she was being coached by the scammers on what to say. So, I think the scam would've been uncovered. That's because I'm satisfied Mrs C would've more than likely answered honestly that she had seen an investment online that was celebrity endorsed, she'd downloaded screensharing software and she needed to send money to this individual to buy Bitcoin. That would've raised red flags to Revolut because the background here had all the common features of prevalent scams. So, a trained fraud specialist at Revolut would've easily spotted these signs and told Mrs C that a regulated Financial Conduct Authority (FCA) broker wouldn't tell her to send money abroad to an individual who worked in the finance department.

I note Revolut earlier provided warnings to Mrs C about investment scams. But I think a discussion in the in-app chat is a higher level of human intervention. And given that I think Mrs C would've more than likely been honest in her responses and wasn't being coached by the scammers, I don't think it would've taken long for the scam to be uncovered.

So, I'm satisfied that Revolut should refund the final payment here of £15,770.

I've considered whether Mrs C should have a reduction to her award here. Having done so, I don't think she should. Mrs C fell for a sophisticated scam and wasn't investment savvy at the time. She was given a fake link to show one of the broker's involved here was FCA regulated which added more weight to the legitimacy of this investment. So, although Mrs C was provided with some warnings by Revolut, the part of that warning that was most relevant to her was downloading the screensharing software. But it's not this service's position that there should be an automatic deduction for doing so. I can see that Mrs C completed her own research at the time. There weren't many reviews of the broker nor any negative information online in March 2023 that should've made her reasonably suspicious about the broker she thought she was dealing with. Just because that research didn't uncover the scam, I'm not satisfied in this complaint that she was negligent or that her award should be reduced.

I've also considered that Mrs C was diagnosed with cancer in 2020 and her medication affected her thinking at times. I'm persuaded that made her more susceptible at the time to falling for this scam. As a result, I'm not going to reduce Mrs C's award here.

Mrs C hasn't raised a claim against any of her other banks and this service cannot tell her that she must take that action. Ultimately it is up to Mrs C to decide who she wishes to complain against and for this service to decide the complaint that's brought to us.

Mrs C sent a £100 debit card payment to a crypto exchange here that wouldn't have been recoverable as she received the service she paid for on her card – the purchase of crypto. And I can see that Revolut reasonably tried to recover the £150 and £15,770 that was sent internationally but it had already been removed from the beneficiary account. So, Revolut should refund Mrs C £15,770 and add 8% simple interest per year to that amount from the date of the payment until the date of settlement.

My final decision

My final decision is that I uphold this complaint in part. Revolut Ltd should do the following;

- Refund £15,700 and
- Add 8% simple interest per year to that amount from the date of payment to the date of settlement

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs C to accept or reject my decision before 5 May 2025.

Mark Dobson
Ombudsman