

The complaint

Mrs J complains that Revolut Ltd won't refund the money she lost when she was the victim of a scam.

What happened

In late 2023, Mrs J was looking for help after falling victim to a loan scam. She came across an advert for a recovery company who claimed to be able to stop scammers committing further fraud, as well as to recover money lost to scams, so filled in her contact details on their website. She was then contacted by someone from the recovery company and started communicating with them about the action they could take.

Mrs J was sent a number of documents by the recovery company, including a contract, and asked to send them proof of the money she had sent to the loan scam. The company then told her it could trace and recover the money she had previously lost, but that Mrs J had to pay a deposit and a series of fees before it could be returned to her. Mrs J says she also started to receive threats, pressuring her to pay the fees.

So she then made a number of payments from her Revolut account, as the recovery company directed her to, which I've set out below:

Date	Details	Amount
15 November 2023	Cryptocurrency exchange	£857
21 November 2023	Cryptocurrency exchange	£1,800
28 November 2023	Transfer to individual	€12,220.41
29 November 2023	Transfer to individual	€12,331

Unfortunately, we now know the recovery company was a scam. After the scam was uncovered, Mrs J reported the payments she had made to Revolut and asked it to refund the money she had lost.

Revolut investigated but said it had asked Mrs J about the purpose of some of the payments and shown her sufficient warnings before allowing them to go through. So it didn't think it was at fault for processing the payments she had authorised and didn't agree to refund the money she had lost. Mrs J wasn't satisfied with Revolut's response, so referred a complaint to our service.

One of our investigators looked at the complaint. They thought Revolut had provided a proportionate response to the risk the payments presented and didn't think anything we would have expected it to have done would have prevented Mrs J's loss. So they didn't think it should have to refund the payments she had made. Mrs J 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.

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 November 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;
- 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.

But, even if Revolut had recognised that Mrs J was at heightened risk of financial harm from fraud when making some of these payments, I don’t think the action I would have expected it to take would have prevented her loss. I’ll explain why below.

Mrs J made a number of cryptocurrency withdrawals from her Revolut account as part of this scam. The transfer of cryptocurrency in this way is not a regulated activity, and so I can’t consider these withdrawals as part of this complaint. The exchange of funds in an account into cryptocurrency is an ancillary activity to the regulated activity of accepting a deposit of funds into an account though, so these exchanges can be considered.

But the exchanges of funds into cryptocurrency Mrs J made here weren’t for particularly large amounts, or for amounts where I’d have expected Revolut to identify them as suspicious based on their size alone. They were also made nearly a week apart, so didn’t form a pattern of behaviour I’d have expected Revolut to identify as suspicious. And so I wouldn’t have expected Revolut to have identified that Mrs J was at heightened risk of financial harm from fraud as a result of the cryptocurrency exchanges.

I’m satisfied Revolut ought to have recognised that Mrs J was at heightened risk of financial harm from fraud when she tried to make the third payment here, for €12,220.41 on 28 November 2023. This payment was for a significant amount, to a new payee Mrs J had never sent money to before, and was funded by a transfer into her account for a similar

amount immediately beforehand – which matches a pattern of behaviour often seen when customers are falling victim to a scam.

I think a proportionate test to the risk I think Revolut should have identified would have been for it to carry out some sort of human intervention with Mrs J to attempt to establish the circumstances surrounding the payment, before allowing it to debit her account. But, had it done this, I'm not satisfied it would have prevented Mrs J's loss.

Revolut did carry out an intervention with Mrs J when she tried to make this payment. It stopped the payment and then asked her a number of questions about it. It explained that fraudsters may ask her to hide the real reason for a payment so it was important to answer truthfully, and asked whether anyone was telling her how to answer the questions. And Mrs J confirmed she understood this and that no-one was helping her with the questions or telling her how to answer. But she then said she was paying a family member or friend for something she was buying from them, and that she had paid the person using the same bank details before – despite these not being an accurate description of the purpose and circumstances of the payment.

Revolut then directed Mrs J into a chat with one of its agents, who asked further questions about the payment. They explained the payment had been paused to protect her from a potential scam, and that Revolut thought there was a high chance her money was at risk if she made the transaction. They warned her that, if anyone was guiding her to make a payment, she was almost certainly being scammed. And Mrs J again said she was transferring the money to a friend or family and wasn't being guided about what to do.

But Mrs J has since told our service that the recovery company would call her during every payment she made, were instructing her on what to do step-by-step, and would demand screenshots from her of what she was doing to check she had done what they said. So it appears what she told Revolut about not being guided was also not accurate.

So even if Revolut had asked more probing and in-depth questions about the payments she was making here, I think Mrs J would likely not have given it accurate or complete information about the purpose or circumstances surrounding them – as happened with the questions she was asked. And I don't think any warnings I would have expected Revolut to have shown her following the answers it got from those questions would have impacted her decision to continue making the payments. So I don't think anything I would reasonably have expected Revolut to have done here would have stopped Mrs J from making the payments or losing the money she did.

Mrs J has explained that she was suffering from a number of medical conditions and experiencing personal circumstances at the time, which significantly affected her ability to process information and made her extremely vulnerable. She's also said she had reported to Revolut that she thought she could be the victim of a scam shortly before this third payment and so, having been made aware of this, it should have done more to protect her. And my intention isn't to diminish the severity of the conditions and circumstances she has mentioned and I don't underestimate the impact they had on her. But I don't think her circumstances, or her earlier report of fraud, mean that I would have expected Revolut to have taken significantly different action than I've explained above. And so I still don't think anything I would have expected it to have done would have stopped her from making the payments or losing the money she did.

Mrs J has also said a number of threats were made towards her and her family, and that the scammers were emotionally manipulating her using pressure and fear. And I appreciate that this will have been an awful experience for her, and I think it's completely understandable that she felt she had no choice but to continue making the payments. But unfortunately, I

think this only reinforces that she would likely not have given Revolut accurate or complete information about the circumstances surrounding the payments and would still have wanted them to be made – even if Revolut had asked more probing questions and given a clearer and more impactful warning.

Mrs J has suggested Revolut should have carried out a video call with her as part of its intervention, and that this would have stopped her making the payments. But while Revolut could have carried out a video call with her, I wouldn't necessarily expect it to as there are other communication methods by which it could carry out the kind of intervention I would expect. And I don't think it would be fair to say Revolut had acted unreasonably or should refund Mrs J's loss just because it didn't carry out a video call as part of its intervention.

In her response to our investigators assessment, Mrs J asked that our service considers whether her case would have been eligible for reimbursement under recently introduced reimbursement rules. But the rules Mrs J is referring to weren't in place at the time she made the payments this complaint relates to, and don't apply to payments made before the rules came into place. So the payments Mrs J made as a result of this scam aren't covered by these rules, and it wouldn't be fair for me to require Revolut to meet the standards set out in them.

As part of her complaint, Mrs J has also complained that Revolut made it difficult for her to submit her scam claim and that she ultimately had to contact the FCA to get an email address for Revolut where she could send the evidence she wanted to provide. And I can see she was asked to upload screenshots of her communication with the scammers into her chat with Revolut, and that the large number of screenshots she tried to upload meant this process took a significant amount of time. But Revolut is entitled to ask consumers to provide evidence to it by whatever method it chooses. And while it may have been more convenient for Mrs J to be able to email some of the evidence, I don't think Revolut asking her to upload screenshots, or anything else about the requests it made or how it dealt with her claim, caused her significant inconvenience on a level to warrant a payment of compensation.

I appreciate that Mrs J has been the victim of a cruel scam and that my decision will come as a disappointment to her. She has lost a significant amount of money and I sympathise with the position she has found herself in. But I can only look at Revolut's responsibilities and, for the reasons I've set out above, I don't think anything I would reasonably have expected Revolut to have done would have prevented the loss she suffered.

And so I don't think it would be fair to require Revolut to refund the money Mrs J 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 Mrs J to accept or reject my decision before 30 May 2025.

Alan Millward
Ombudsman