

The complaint

Mr K is being represented by solicitors. He's complaining about Revolut Ltd because it declined to refund money he lost as a result of fraud.

What happened

Sadly, Mr K fell victim to a cruel investment scam after he responded to an advert he saw on social media. As part of the scam, he set up an account with a cryptocurrency exchange and in June and July 2021 he made the following payments from his existing Revolut account that were used to fund the fake investment scheme:

No.	Date	Amount £
1	29 Jun	214.40
2	1 Jul	2,155
3	2 Jul	430
4	5 Jul	1,285
5	9 Jul	2,570
6	17 Jul	3,062
7	19 Jul	4,140
8	20 Jul	2,295

Our investigator didn't recommend the complaint be upheld. She wasn't convinced sufficient evidence had been provided to show this money was lost to a scam. This notwithstanding, she didn't think the payments should have been viewed with any particular suspicion by Revolut or that it should have intervened in the payments any further than it did.

Mr K didn't accept the investigator's assessment. His representative argues that the payments were out of character compared to previous account use and the fact they went to cryptocurrency should have prompted Revolut to ask further questions that would have uncovered the scam. It says that financial authorities were warning about cryptocurrency-related scams at the time of these payments.

The complaint has now been referred to me for review.

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've reached the same overall conclusions as the investigator, and for broadly the same reasons. I haven't necessarily commented on every single point raised but concentrated instead on the issues I believe are central to the outcome of the complaint. This is consistent with our established role as an informal alternative to the courts. In considering this complaint I've had regard to the relevant law and regulations; any regulator's rules, guidance and standards, codes of practice, and what I consider was good industry practice at the time.

There's no dispute that Mr K authorised the above payments. In broad terms, the starting position at law is that an Electronic Money Institution (EMI) such as Revolut is expected to process payments a customer authorises it to make, in accordance with the Payment Services Regulations and the terms and conditions of their account. In this context, 'authorised' essentially means the customer gave the business an instruction to make a payment from their account. In other words, they knew that money was leaving their account, irrespective of where that money actually went.

There are, however, some situations where we believe a business, taking into account relevant rules, codes and best practice standards, shouldn't have taken its customer's authorisation instruction at 'face value' – or should have looked at the wider circumstances surrounding the transaction before making the payment.

Revolut also has a duty to exercise reasonable skill and care, pay due regard to the interests of its customers and to follow good industry practice to keep customers' accounts safe. This includes identifying vulnerable consumers who may be particularly susceptible to scams and looking out for payments which might indicate the consumer is at risk of financial harm.

Taking these things into account, I need to decide whether Revolut acted fairly and reasonably in its dealings with Mr K.

One of the key features of a Revolut account is that it facilitates payments that sometimes involve large amounts and/or the purchase of cryptocurrency and I must take into account that many similar payment instructions it receives will be entirely legitimate.

In terms of its process, Revolut has said that it did ask Mr K to confirm that he knew and trusted the payee each time he made a payment to a new account. This process included an explanation that fraudsters can impersonate others and that it may not be possible to get money back that's lost to fraud.

Having considered what Revolut knew about the payments at the time, I'm not persuaded it ought to have been particularly concerned about them. I don't think the amount of each payment on its own was sufficient to arouse suspicion. And unlike many common scams where the victim makes multiple payments over a very short period, the payments in this case were spread over a number of weeks. While the concept of cryptocurrency-related fraud certainly wasn't unknown in 2021, it was less prominent than it later became and I don't think the fact these payments went to cryptocurrency was on its own sufficient to prompt an intervention from Revolut.

In the circumstances, I don't think there were sufficient grounds for Revolut to think Mr K was at risk of financial harm from fraud when he made the payments and I can't say it was at fault for processing them in line with his instructions or that it should have intervened further than it did.

I want to be clear that it's not my intention to suggest Mr K is to blame for what happened in any way. He fell victim to a sophisticated scam that was carefully designed to deceive and manipulate its victims. I can understand why he acted in the way he did. But my role is to consider the actions of Revolut and, having done so, I'm not persuaded these were the cause of his losses.

I've also looked at whether Revolut could or should have done more to try and recover Mr K's losses once it was aware that the payments were the result of fraud.

I understand Mr K first notified Revolut of the fraud on 31 July 2021, several days after the last payment. It's a common feature of this type of scam that the fraudster will move money

very quickly to other accounts once received to frustrate any attempted recovery and it's not a surprise that attempts to recover the money weren't successful. On balance, I don't think anything that Revolut could have done differently would likely have led to those payments being recovered successfully.

I recognise Mr K has been the victim of a cruel scam and I'm sorry he lost this money. I realise the outcome of this complaint will come as a great disappointment but, for the reasons I've explained, I think Revolut acted fairly and reasonably in its dealings with him and I won't be telling it to make any refund.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 1 August 2025.

James Biles
Ombudsman