

The complaint

Mr F is complaining about Revolut Ltd because it declined to refund money he lost as a result of fraud. He was originally represented by solicitors but that arrangement has since ended and more recent correspondence has been from his partner.

What happened

Sadly, Mr F fell victim to a cruel investment scam. He says he was introduced to the scheme by a friend he'd known for 20 years who worked in the financial sector. He says his friend had carried out research on the company and had invested himself and been able to withdraw funds.

After his friend passed on his details, Mr F was contacted by the scammer who said he could make profits for him by trading on his behalf. Mr F says he carried out his own research online, finding only positive reviews, and then decided to invest. I understand the scammer then talked him through the process of setting up accounts with the fake trading platform and a cryptocurrency exchange that would be used to fund payments to the scam.

On the scammer's advice, Mr F also set up an account with Revolut to fund payments to the cryptocurrency exchange and made the following transfers that were lost to the scam:

No.	Date	Amount £
1	20 October 2023	10
2	20 October 2023	990
3	26 October 2023	5,000
4	26 October 2023	8,000

Mr F's solicitors said he was told his profits had grown to £5,000 by 24 October 2024 and that this is what convinced him to make payments 3 and 4. He says he realised this was a scam in January 2024 when he tried to withdraw money and wasn't able to.

Our investigator didn't recommend the complaint be upheld. They noted Revolut had provided warnings about scams when the payments were being made and didn't think any further intervention would have made a difference to Mr F's decision to continue with the payments.

Mr F didn't accept the investigator's assessment and 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.

Before going any further, I was sorry to read of the various health and other problems experienced by Mr F, his partner and members of their family at the time of this investment and since and I wish them the very best as they continue to cope with these issues.

In response to comments in Mr F's most recent submission, I think it's relevant to say that I've absolutely no doubt this money was lost to a scam and I'm sorry he lost money in this way. But the fact money was lost to a scam doesn't mean he's automatically entitled to be compensated. It appears Mr F and his partner may have heard about the Contingent Reimbursement Model (CRM) Code that was in place at the time of these payments and entitled scam victims to compensation in certain circumstances. But that's not relevant to the outcome of this case as Mr F transferred money to an account in his own name rather than directly to the scammer, meaning the payments weren't covered under the CRM Code. And in any event, the Code was voluntary and Revolut didn't sign up to it.

In this case, there's no dispute that Mr F 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 F.

The payments

One of the key features of a Revolut account is that it facilitates payments that sometimes involve large amounts and the purchase of cryptocurrency and I must take into account that many similar payment instructions it receives will be entirely legitimate. I'm also conscious this was a new account and there was no history of past activity against which these payments might have looked suspicious.

Having considered what Revolut knew about the payments at the time it received Mr F's instructions, including the amounts involved, the fact they were going to cryptocurrency and the close proximity, I think it should have identified he was at risk of harm from fraud by the time of payment 3 and that this is the latest point at which it should have asked further questions and provided appropriate scam warnings.

Revolut says it identified potential risks associated with the first payment. After asking Mr F to confirm he knew and trusted the payee, it says it asked him about the purpose of the payment and showed a series of warnings about investment scams before he confirmed that he wished to proceed. These warning screens pointed to a number of common features of investment scams, including that they promise high returns over short periods of time and sometimes have professional looking online platforms. The warnings also said he should be aware of social media promotions, do his own research and not give anyone remote access to his devices.

Revolut says it intervened again in connection with payment 4. In addition to showing similar warning screens relating to cryptocurrency investment scams, Mr F was also directed to speak to its in-app chat facility to discuss the payment before it was allowed to leave his account.

During the chat, Revolut's agent asked a number of questions about the payment and outlined some common features of many investment scams. During that conversation, Mr F was clear that he wasn't being pressured, hadn't been told to ignore its warnings, and said at one point that *'Revolut has warned me that this is likely a scam, and are unlikely to recover my funds if I proceed with this transaction'*. From his comments in this chat and his separate conversation that was going on with the scammer at the same time, I think it's also clear he was becoming agitated with the questions he was being asked and the time it was taking.

Overall, I think Revolut broadly took appropriate steps to question payment 4 and provide relevant warnings about the type of scam that it identified could be taking place. And once it had gone through this process and Mr F confirmed he still wanted to go ahead, I'm satisfied it was reasonably entitled to make the payment in line with his instruction. As I've said I do think Revolut should have intervened in this way slightly earlier when it received the instruction for payment 3. But this was on the same day as payment 4 and I've no reason to think the outcome would have been any different if a similar interaction had been attempted a few hours earlier.

But even if I were to conclude, as his solicitors previously suggested, that Revolut didn't taken appropriate steps to question any of the payments, I don't think it's likely that a more robust intervention would have changed the outcome. It seems Mr F was under the scammer's spell at this point and was following his guidance over and above anything he was being told by Revolut. The history of his chats with the scammer show they were discussing how he should respond to the questions he was being asked and that he followed the scammer's advice to ignore the warnings provided. This is understandable to some extent given the scheme was recommended by a trusted friend he'd known for a long-time who'd been able to withdraw money and the fact he'd been signed up to a professional-looking website that appeared to show he was making healthy profits. But it also means that it's difficult to see what else Revolut could have done that would have persuaded Mr F not to make the payments.

I want to be clear that it's not my intention to suggest Mr F 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.

Recovery of funds

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

I understand Mr F first notified Revolut of the fraud in January 2024, nearly three months 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 I'm therefore not surprised that its attempts to recover the money weren't successful.

I'm also conscious that Mr F transferred funds to a legitimate cryptocurrency account in his own name. From there, he purchased cryptocurrency and moved it onto a wallet address of his choosing (albeit on the scammers' instructions). Revolut could only try to recover the funds from his own account and it appears all the money had already been moved on and, if not, anything that was left would still have been available to him to access.

With these points in mind, I don't think anything that Revolut could have done differently would likely have led to these payments being recovered successfully.

In conclusion

I recognise Mr F has been the victim of a cruel scam and I'm sorry he lost such a large amount of money. I realise the outcome of this complaint will come as a great disappointment but, for the reasons I've explained, I don't think any further intervention by Revolut would have made a difference to the eventual outcome 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 F to accept or reject my decision before 8 July 2025.

James Biles
Ombudsman