

The complaint

Mr S has complained that Revolut Ltd won't refund money he says he lost to a scam.

What happened

The details of the complaint are well known to both parties, so I will not repeat them again here. Instead, I will focus on giving the reasons for my 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.

Having done so, I agree with the investigator's outcome for broadly the same reasons, I will explain why.

Firstly, I'm very aware that I've summarised this complaint briefly, in less detail than has been provided, and in my own words. No discourtesy is intended by this. Instead, I've focused on what I think is the heart of the matter here. If there's something I've not mentioned, it isn't because I've ignored it. I haven't. I'm satisfied I don't need to comment on every individual point or argument to be able to reach what I think is the right outcome. Our rules allow me to do this. This simply reflects the informal nature of our service as a free alternative to the courts.

In broad terms, the starting position in law is that an EMI is expected to process payments that their customer authorises them to make. It isn't disputed that Mr S authorised the payments from his Revolut account. Therefore, under the Payment Services Regulations and the terms of his account, Revolut is expected to process Mr S' requests, and he is presumed liable for the loss in the first instance.

But, 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 July 2021 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;
- 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.

Mr S opened his account with Revolut on 10 November 2019. When he opened the account Mr S was asked for his reasons why he wished to open a Revolut account and Mr S chose two options. He selected transfers and overseas transfers.

On 27 January Mr S made seven payments to three new beneficiaries within three hours. The payments were between £1,044.00 and £10.00. Our investigator said that Revolut ought to have been concerned Mr S could be at risk of financial harm by payment seven. She said by payment seven, Mr S had set up three new beneficiaries on the same day and then proceeded to make payments, to all three beneficiaries, within three hours. And I agree, however, on top of that one of the beneficiary's was also a well known cryptocurrency provider. And while people can and do legitimately invest in cryptocurrency, this accompanied by a change in account behaviour, three new beneficiaries, and the fact that the highest previous payment made from the account was £274.84, I am satisfied that by payment seven the activity on the account was uncharacteristic and therefore Revolut ought to have recognised Mr S was at risk of financial harm.

Revolut has confirmed that no warnings were provided to Mr S, apart from the new beneficiary warnings. So, I've thought carefully about what a proportionate warning in light of the risk presented would be in these circumstances. In doing so, I've taken into account that many payments that look very similar to this one will be entirely genuine. I've given due consideration to Revolut's duty to make payments promptly, as well as what I consider to have been good industry practice at the time this payment was made.

Therefore, I think it would have been proportionate at that time for Revolut to have asked Mr S the payment purpose and to have issued Mr S with a written warning which matched his payment purpose. I have considered what I think is most likely to have happened if Revolut had provided such a warning. And in doing so, I am persuaded that on balance I think it is likely it wouldn't have prevented Mr S making further payments. I will explain why.

I have listened to a call between B (a third party bank where Mr B had an account) and Mr S. B had intervened on Mr S transferring funds to another account he held with W (and from W he sent money to his Revolut account). The advisor at B asked Mr S:

"What type of payments were you trying to do"

Mr S responded

"Trying to purchase crypto actually"

The advisor went on to clarify two payments, and Mr S explained he was transferring to his account he held with W account and to his account he held with Revolut, for personal use. The advisor asked Mr S, if he had been forced into making the payments, and Mr S said no. The advisor then asked:

"Has anybody called you from the bank or the Police asking you to move money to a safe account?"

Mr S said

"No"

The advisor went on to say:

"It's just that there are quite a lot of scams going around at the moment, Sir, and obviously, especially with regards to virtual banks, OK, so you're 100% certain these details do belong to who you think you're sending them to?"

Mr S said:

"Yes I am very certain and this is not based on any phone calls ok."

So, I am persuaded that if Revolut had asked Mr S what the purpose of payment was for, he would have answered in a similar way to how he answered B, and said for cryptocurrency. As such, it is likely, Mr S would have received a warning relating to cryptocurrency scams. As such, the warning wouldn't have resonated with Mr S' circumstances as he was falling victim to another type of common scam, a HMRC scam.

While I am satisfied this would have been a proportionate intervention given the risk the payments presented, I am aware Mr S' representative is of the opinion a more formal intervention ought to have occurred. And while I disagree, I have considered if it would have made a difference to Mr S' losses. And, on balance, I am persuaded it wouldn't have.

I say this because, even if Revolut had carried out a more formal intervention, I am not persuaded Mr S would have provided accurate information to the advisor. Mr S' representative has said that during the call with B, the advisor didn't ask Mr S what the payment was for. I disagree, the advisor says *"What type of payments were you trying to do"*. Mr S originally says Crypto and then clarified he is also sending money to his own accounts with W and Revolut. Mr S also mentioned he recently arrived in India and wanted to top up his accounts. And given that his W account and Revolut account are often used for this purpose, it wouldn't be unusual for Mr S to be sending money to those accounts.

Secondly, while I accept that firms need to ask open and probing questions and it is the opinion of Mr S' representative that B didn't do this (I am considering the actions of Revolut, not B, in this complaint) there was ample opportunity for Mr S to provide accurate information to B or to stop and consider if he had been asked to move money from another body such as the police. And Mr S in his submissions to our service has advised he thought he was on the phone to HMRC, the police, and another body. Therefore, I am satisfied that when Mr S was asked *"has anybody called you from the bank or the Police asking you to move money to a safe account"*, Mr S had an opportunity to explain why he was transferring his money. This accompanied with his explanation on why he was transferring the funds and the fact he was adamant he wasn't making the transaction based off any phone calls (which wasn't the case) persuades me he wouldn't have provided accurate information to Revolut, even if it could be argued a more formal intervention was required.

In other words, whilst Revolut didn't intervene at the point of transaction seven, I don't think an intervention (a written warning or human intervention) would have made a difference to Mr S. Any failings by Revolut at payment seven were not the dominant, effective cause of his loss.

I have gone on to consider if Revolut took reasonable steps to try and recover the funds once it was made aware. Revolut has provided evidence to show it contacted the third party institutions but recovery was unsuccessful. So, it follows that I won't be asking Revolut to do anything further.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 14 October 2025.

Jade Rowe
Ombudsman