

The complaint

Mr T is unhappy that Revolut Ltd won't reimburse money he lost to a scam.

The complaint is brought on Mr T's behalf by a professional representative.

What happened

The background to this complaint is well known to both parties, so I won't repeat everything here. In summary, Mr T has explained that between July 2024 and August 2024 he made payments from his Revolut account towards a cryptocurrency investment which he ultimately lost to a scam.

Mr T advises he was introduced to the investment by someone he had met online, who I will refer to as "the scammer". They began to communicate regularly, building what he believed to be a relationship. The scammer advised Mr T that she had made profits from investing and that she could share her knowledge and help him to invest.

The scammer helped Mr T set up accounts with legitimate cryptocurrency exchange platforms. Mr T then used his Revolut account to send money to one of the cryptocurrency exchanges, where the funds were converted to cryptocurrency before being sent on to the scammers. I have included a breakdown of the transactions below:

Payment number	Date	Notes	Amount
1	9 July 2024	Transfer to cryptocurrency exchange	£1,000
2	15 July 2024	Transfer to cryptocurrency exchange	£500
3	19 July 2024	Transfer to cryptocurrency exchange	£5,000
4	21 July 2024	Transfer to cryptocurrency exchange	£1,000
5	27 July 2024	Transfer to cryptocurrency exchange	£1,300
6	1 August 2024	Transfer to cryptocurrency exchange	£500
-	5 August 2024	Payment from cryptocurrency exchange	-£78.10
-	6 August 2024	Payment from cryptocurrency exchange	-£285.10
7	16 August 2024	Transfer to cryptocurrency exchange	£4,700
8	17 August 2024	Transfer to cryptocurrency exchange	£4,300
9	17 August 2024	Transfer to cryptocurrency exchange	£157.60
Total loss (less any credits received)			£18,094.40

Mr T raised a complaint with Revolut. It investigated the complaint but didn't uphold it. It didn't think it had done anything wrong by allowing the payments to go through. So, Mr T brought his complaint to our service.

Our Investigator looked into the complaint but didn't uphold it. Our Investigator explained that Revolut had provided warnings to Mr T before releasing the payments and he thought the actions taken by it were proportionate to the risk it identified.

Mr T didn't agree, so his complaint has been passed to me for review and a final 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.

I'm sorry to disappoint Mr T, but I'm not upholding his complaint - for broadly the same reasons as the Investigator.

I've thought about the Contingent Reimbursement Model Code (CRM Code) which can offer a potential means of obtaining a refund following scams like this one. But as Revolut isn't a signatory of the CRM Code, these payments aren't covered under it. I've therefore considered whether Revolut should reimburse Mr T under any of its other obligations.

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.

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 that in July and August 2024 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;
- 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.

Here, as part of the transfer process for the payments, Revolut did provide Mr T with advice and warnings to try to protect him from being scammed. Revolut presented the following to Mr T before he made his first payment to the cryptocurrency exchange:

"Do you know and trust this payee? If you're unsure, don't pay them, as we may not be able to help you get your money back. Remember, fraudsters can impersonate others, and we will never ask you to make a payment."

Revolut didn't provide any additional warnings on Payment 1 and 2. I'm conscious that these payments were relatively modest so I can't see any reason for Revolut to have been particularly concerned about them. Payments of this size are unlikely to have appeared unusual to Revolut. So, I don't think they would have indicated that Mr T might be at risk of financial harm from fraud, and I think the new payee warning it presented was proportionate in the circumstances of these payments.

However, when Mr T sent Payment 3 Revolut recognised this was a high-risk payment and provided Mr T with advice and warnings to try and protect him from being scammed. I think Revolut was right to be suspicious of this payment given the amount and what it knew about the destination of the payment. So, I would have expected it to take additional steps, such as asking a series of questions through an automated warning in an attempt to narrow down a possible scam risk. And given Mr T was falling victim to a cryptocurrency investment scam, I consider that a warning highlighting some of the key aspects of such scams would have been an appropriate response here, without imposing a level of friction disproportionate to the payment risks presented.

As referred to by the Investigator, Revolut did take some steps to establish whether there was a possible scam risk on Payment 3, so it could then provide a warning tailored to the risk identified. Before this transaction was processed Mr T was asked a series of questions. Revolut stated that he should answer truthfully and that if he was being scammed the fraudster may ask him to hide the real reason for the transaction. It also highlighted that if he was being told what to say or being pressured to make a payment then it's likely to be a scam.

Following Mr T's responses Revolut then provided a number of warnings tailored to the answers Mr T provided which gave the option for him to pause and reflect on the transfer. This included highlighting this could be an investment scam, beware of social media promotions, don't give anyone remote access, do your research and don't be rushed. It also asked questions such as "Have you researched the company?" to which Mr T responded with "Yes, I've checked the FCA's Register and reviews". It also made it clear that Mr T may not get his money back if this was a scam. I think these warnings highlighted several key features which applied to Mr T's payment, so the information should have resonated with him.

Mr T has argued that had Revolut probed him further it's likely the scam would have been uncovered. He would have liked Revolut to have called him and interview him around the scam before allowing him to invest. Revolut tends not to call its customers and deals instead through the app which it did here. It's not for us to comment on how Revolut chooses to run its business, but I have thought about whether Revolut ought to have taken further steps for this payment and whether any further probing would have made a difference. When considering this, I've kept in mind that EMIs process high volumes of transactions each day. And that there is a balance for Revolut to find between allowing customers to be able to use their accounts and questioning transactions to confirm they're legitimate.

However, in the circumstances I think the actions Revolut took were proportionate to the risk identified at the time. I wouldn't have expected Revolut to have done more on this transaction or the ones sent later. The payments were made to a legitimate cryptocurrency exchange. And while there are known fraud risks associated with cryptocurrency, as scams like this have unfortunately become more prevalent, not all payments related to cryptocurrency are scam related. This means that I wouldn't expect Revolut to stop a payment just because it related to cryptocurrency. The payments were also made over several weeks and weren't increasing significantly in value, so I don't think there was a pattern emerging that ought to have put Revolut on notice that Mr T may be falling victim to a scam. Mr T also received some credits in from the cryptocurrency exchange so it's unlikely

that Revolut would have thought he was at further risk from these payments. The answers Mr T provided to his questions didn't suggest he was being guided by the scammer, which seemed to be the case from his messages with her, so Revolut wouldn't have known that it needed to intervene any further from the responses Mr T provided.

It's clear that Mr T trusted what he was being told by the scammer, so I think he wanted to go ahead with these payments based on what the scammer was telling him. The messages with the scammer confirm he was having detailed discussions about the investment and the payments he was making. It's clear he thought this was a genuine investment, so I don't think further probing from Revolut on Payment 3 or the ones that followed would have made a difference. It's likely that Mr T would have answered the questions in a similar way and that he was willing to go ahead with the payments despite the warnings he was provided.

So, I don't think there is anything further I would have expected Revolut to do before processing the payments.

I understand that Mr T was experiencing some difficult circumstances at the time he fell victim to the scam. I'm sorry to learn about this, but I can't say that Revolut was or should have been aware that he was vulnerable or made any special adjustments for him at the time the transactions were made.

Could Revolut have done anything to recover Mr T's money?

There are industry standards around attempting recovery of funds where a scam is reported. Revolut contacted the receiving bank, but it didn't receive any further details on whether any funds remained. However, the scam payments were sent from Revolut to a cryptocurrency account in Mr T's name, from where he then would have moved the funds onto the scammers. So, I don't think there was any realistic prospect of Revolut recovering the funds.

I realise this means Mr T is out of pocket, and I'm really sorry he's lost money. But it would only be fair for me to direct Revolut to refund his loss if I thought it was responsible – and I'm not persuaded that this was the case. For the above reasons, I think Revolut has acted fairly and so I'm not going to tell it to do anything further.

My final decision

For the reasons I've explained, I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T to accept or reject my decision before 22 July 2025.

Aleya Khanom
Ombudsman