

## **The complaint**

Mr C complains that Revolut Ltd did not reimburse the funds he lost to a scam.

## **What happened**

Mr C found an advert on social media for a company that offered trading advice and a platform to carry out trades on. He signed up and was put in contact with an advisor who told him to download Anydesk, a screen sharing software that allowed the advisors to help him carry out trades. Mr C began trading stocks in large companies and slowly built his returns. He continued to invest more and eventually was told about a trade in Gas and Oil which had guaranteed returns. When Mr C tried to withdraw his profits, he was only able to withdraw 3% of his margin, as per the contract he signed when he joined the company. He was told he had to pay fees to recuperate the remainder of his returns but despite paying these fees, he was asked for more funds. Eventually, he realised he had been the victim of a scam.

Mr C used his Revolut account to carry out the majority of the payments to the scam, and these were via various payment processing companies. According to his representative, Mr C paid out over £260,000 to the scam over a seven-month period and received only around £22,000 in returns in that time. Mr C raised a scam claim with Revolut, but only for two of the payments. Revolut issued a final response letter that explained they were out of time to raise a chargeback request for the card payments, and they did not agree to reimburse Mr C.

The complaint was referred to our service and our Investigator looked into it. They felt that Revolut should have intervened in the payments from around the 8<sup>th</sup> payment onwards. This was because it was the 4<sup>th</sup> payment in quick succession in one day, and a tailored warning about the payment would have been reasonable. But they did not think a warning at that time would have prevented Mr C from making further payments towards the scam. This was because Mr C was not honest with the third-party bank that he used to credit the Revolut account about the purpose of the payments. He said that they were for renovations he was carrying out on a property abroad and that he was going to be travelling later in the year and wanted the funds for the trip.

Because of this, the Investigator did not think Mr C would have been open and honest about the trading with Revolut had they asked him about it, so they did not think a relevant warning could have been provided in the circumstances. Mr C's representative said he did not recall the details of the calls he had with the third-party bank, but that he was renovating properties abroad at that time.

As an informal agreement could not be reached, the complaint has been passed to me for 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.

In deciding what's fair and reasonable in all the circumstances of a complaint, I'm required to

take into account relevant: law and regulations; regulators' rules, guidance and standards; codes of practice; and, where appropriate, what I consider to be good industry practice at the time.

Broadly speaking, the starting position in law is that an account provider is expected to process payments and withdrawals that a customer authorises it to make, in accordance with the terms and conditions of the account. And a customer will then be responsible for the transactions that they have authorised.

It's not in dispute here that Mr C authorised the payments in question as he believed they were part of a legitimate investment. So, while I recognise that he didn't intend the money to go to scammers, the starting position in law is that Revolut was obliged to follow Mr C's instruction and process the payments. Because of this, he is not automatically entitled to a refund.

The regulatory landscape, along with good industry practice, also sets out a requirement for account providers to protect their customers from fraud and financial harm. And this includes monitoring accounts to look out for activity that might suggest a customer was at risk of financial harm, intervening in unusual or out of character transactions and trying to prevent customers falling victims to scams. So, I've also thought about whether Revolut did enough to try to keep Mr C's account safe.

I've looked over Mr C's statements and compared the scam payments to his genuine account activity. Mr C previously had many high value payments going in and out of his Revolut account for over £20,000, but the majority of these were either going to a savings account within Revolut in his name, or to external accounts in his name. He did not often use the account for regular payments, unless he was on holiday, and these tended to be for lower amounts. With this in mind, while the account did have high value payments going in and out, the scam payments were different in nature to how Mr C usually used the account, so could have been seen as unusual.

I therefore think it would have been reasonable for Revolut to intervene in the payments at some point on 30 May 2023, as Mr C made multiple card payments that day to a payment services provider. On balance, while the values of the individual payments were not significantly high, with the most being £4,055, I think the overall frequency of payments which were in quick succession via the same payment service provider could be seen as suspicious. I therefore think at that stage that a tailored warning fitting the payment purpose would have been reasonable. I also think that at a later stage, when the value of the payments was a little higher and the cumulative spend in one day was higher, such as on 1 June 2023, I think a human intervention of an in-app chat would have been a reasonable response to the risk level the payments posed.

What I have to consider is whether an intervention like either of these could reasonably have uncovered the scam and prevented Mr C from making further payments towards it. When considering this, I have reviewed the evidence provided that shows Mr C's communications with the scammer, as well as the interactions between himself and the third-party banks he used to credit the Revolut account.

I have not been provided with the full chats between Mr C and the scammer, as he says some of them have been deleted. And what I have seen are screenshots that are not all in date order, so it can be difficult to follow the full flow of the conversation. In addition to this, there were a lot of phone calls between Mr C and the scammer which I do not have access to, so I cannot know exactly what was said.

Mr C has confirmed that the scammers coached him on what to say, and he was told not to

divulge that the payments were going to an investment if he was asked any questions by his bank. I can see that when any of Mr C's accounts were blocked, he notified the scammers of this, and he then had a number of phone calls with them.

I have been provided with phone calls between Mr C and the bank he used to credit his Revolut account. They first blocked his account on 29 May 2023 following a transfer he attempted to make to his Revolut account. In this call, they warned him that if anyone had asked him to lie to or mislead his bank, it would be a scam, but Mr C confirmed no one had. When he was then asked about the purpose of the payments, he said that he would be travelling abroad later on in the year and wanted the funds for that, and that he had a property overseas which renovation work was being carried out on. However, when I have reviewed Mr C's Revolut statements, I can see he used all of the funds for the investment.

Mr C's sending bank was blocked a few more times over the following days, and all for payments being sent to his Revolut account that was to be used for the investment. Each time, he was warned that if anyone was asking him to lie to his bank or mislead them, it would be as part of a scam. Despite the fact this is what Mr C had been told to do, he ignored this warning and went on to mislead the bank about the purpose of the payments. Instead of telling them it was for an investment, he said it was for renovation work on a property overseas.

I have therefore considered if an intervention from Revolut could reasonably have gone further to reveal the scam and prevent Mr C from making more payments, or if they could have given a warning that was tailored to his specific circumstances.

Based on Mr C's previous interactions with the sending banks, I think it is more likely that he would have continued to mislead Revolut about the purpose of the payments. As the payments were going to various payment service providers, I don't think it was clear that they were going to an investment opportunity, as the end payee was not visible. And unlike many other investment scams, they were not going to known cryptocurrency merchants. So, I don't think it would have been possible for Revolut to give a tailored investment scam warning unless Mr C was open and honest with them about the purpose of the payments.

I understand that this will be very disappointing for Mr C, and I recognise that he has been the victim of a cruel and manipulative scam. While I accept Revolut should have done more to intervene in these payments and ensure Mr C was not falling victim to financial harm, for the reasons set out above I think it is unlikely they could have uncovered the scam. Unfortunately, I think Mr C was too far under the spell of the scammer to reveal the true purpose of the payments and I don't think Revolut could reasonably have known he had fallen victim to an investment scam.

I acknowledge that Mr C had some vulnerabilities that may have affected his susceptibility to the scam. I can see that Revolut has now made note of these following the scam claim, but I cannot see that they were aware of them prior to the scam occurring. Because of this, I do not think they could reasonably have taken additional steps to assist Mr C when he fell victim to the scam that may have prevented it.

As Mr C only made Revolut aware of the scam some six months after he made the last payment, I don't think they could reasonably have done more to try and recover the funds. Mr C did raise a chargeback claim for two of the payments, however Revolut explained that under the chargeback scheme he had missed the deadline to raise these by.

The chargeback scheme is voluntary and run by the card issuers and not Revolut. Its purpose is to resolve disputes between merchants and consumers. In this case, Mr C raised the chargeback claim after the time limit to raise one had passed. In addition, his dispute is

with the scammer and not the merchant, and I note the merchants provided the service paid for, namely the processing of payments. So, I do not think Revolut was able to raise a chargeback claim in the circumstances.

### **My final decision**

I do not uphold Mr C's complaint against Revolut Ltd.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 11 July 2025.

Rebecca Norris

**Ombudsman**