

The complaint

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

What happened

Sadly, Mr M fell victim to a cruel investment scam. In October and November 2023, he made the following payments from a recently-opened Revolut account that were lost to the scam:

No.	Date	Payee	Amount £	Type
1	25 Oct	Crypto exchange	120	Card
2	5 Nov	Self	100.01	Transfer
3	7 Nov	Self	100.01	Transfer
4	15 Nov	Named company	999	Transfer
5	16 Nov	Crypto exchange	350	Card
6	20 Nov	Self	300.99	Transfer
7	20 Nov	Self	8.37	Transfer
8	20 Nov	Named company	1,400	Transfer
9	20 Nov	Named individual	600	Transfer

Our investigator didn't recommend the complaint be upheld. He felt Revolut made appropriate enquiries about the payments and gave relevant scam warnings where required.

Mr M didn't accept the investigator's assessment. His representative said Revolut has a historic problem with weak security leading to its customers falling victim to scams and provided various links to support this view. It also said this particular scam had many victims, which shows banks weren't doing enough to protect customers. Had Revolut provided robust warnings it maintains the scam would have been uncovered.

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 M 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 M.

Before going any further, and as Mr M's representative should be well aware, I'm required to consider each case on its own merits. Whether or not it is the case that Revolut has a historic issue with weak security or that banks didn't do enough generally to prevent this particular scam, it doesn't automatically follow that Revolut failed in this case or that Mr M should be compensated.

The payments

One of the key features of a Revolut account is that it facilitates payments that sometimes involve larger amounts and/or the purchase of cryptocurrency. I must take into account that many similar payment instructions it receives will be entirely legitimate. I'm also conscious this was a relatively 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 1 to 3 at the time, particularly the low amounts involved, I'm not persuaded it ought to have been particularly concerned and I can't say it was at fault for processing them in line with Mr M's instructions.

Payment 4 was for a larger amount and Revolut has confirmed it asked Mr M about the reason for the payment. He answered that he was investing in cryptocurrency and Revolut says he was then shown a tailored warning consisting of a series of warning screens setting out some of the key features of cryptocurrency investment scams. I've reviewed the warning screens and thought carefully about the risks this payment presented and I'm satisfied this was a proportionate response to those risks.

Payment 8 went to the same payee as payment 4 and I wouldn't necessarily have expected Revolut to follow a similar intervention process so soon after it had already done that. The other Payments 5, 6, 7 and 9 were much smaller and were to a selection of different payees, meaning they didn't form a pattern consistent with many types of known scam or warrant any particular intervention beyond the generic warnings it says were shown.

It's for these reasons that I don't find Revolut to be at fault in this case.

I want to be clear that it's not my intention to suggest Mr M 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 M's losses once it was aware that the payments were the result of fraud.

I understand Mr M didn't notify Revolut of the fraud until several weeks 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 don't think anything that Revolut could have done differently would likely have led to those payments being recovered successfully after this period of time.

As some of the payments outlined above were card payments, I've considered whether Revolut should have tried to recover the money through the chargeback scheme. But I'd only expect Revolut to have raised a chargeback claim if it was likely to be successful and it doesn't appear that would have been the case here. Mr M paid a legitimate cryptocurrency exchange and would have received a service that involved changing his money into cryptocurrency before sending it to the wallet address he supplied it with (albeit the wallet address was provided by the scammer). His disagreement is with the scammer, not the cryptocurrency exchange and it wouldn't have been possible for Revolut to process a chargeback claim against the scammer as he didn't pay them directly.

In conclusion

I recognise Mr M 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 M to accept or reject my decision before 12 August 2025.

James Biles
Ombudsman