

The complaint

Mr S complains that Revolut Ltd ('Revolut') won't refund the money he lost as the result of a scam.

What happened

In 2023, Mr S found an investment online for a company I'll refer to as B. Mr S says he saw positive reviews about B, that B's website looked professional and showed real time returns and market movements.

As part of the scam, Mr S downloaded screen sharing software, and says the scammer opened a cryptocurrency wallet for him with a cryptocurrency exchange and a platform account with B. Mr S says he wasn't promised a set return.

Mr S transferred £10,000 from a joint account he held with another bank into his Revolut account. He then made the following payments from his Revolut account.

Date	Pmt	Details of transaction	Amount
23.8.2023	1	Card payment to B – a cryptocurrency exchange	£2,500
25.8.2023	2	Transfer to Z – a cryptocurrency brokerage	£7,500

Mr S says he was told he needed to transfer the £10,000 in order to upgrade his account to allow the withdrawal of his investment from B, but the funds would be returned within 15 minutes. A day later Mr S was told the scammers had tried to return the money to him, but it had failed. When he was asked to send a further £20,000, Mr S realised he'd been the victim of a scam.

Mr S raised a scam claim with Revolut, asking that they refund him. Revolut said there were no chargeback rights in respect of the card payment, and they weren't at fault for following Mr S' payment instructions for the transfer.

Mr S wasn't happy with Revolut's response, so he brought a complaint to our service.

An investigator looked into Mr S's complaint but didn't uphold it. The investigator said it was more likely than not Mr S had authorised both payments from his Revolut account, as Revolut's system doesn't allow screen sharing software to make payments from customers' accounts. Also, Revolut had asked Mr S to provide a selfie in order to release the second payment. And, as part of their intervention on the second payment, Revolut had asked Mr S questions, but Mr S was coached on the answers to give so the scam wasn't uncovered. The investigator wasn't satisfied that even if Revolut had intervened on the first payment that the loss could've been prevented, based on Mr S providing answers given to him by the scammer.

Mr S disagreed with the investigator's opinion for the following reasons:

- He had only shared photos with the scammer and doesn't know why they needed them.

- Mr S didn't make the payments from his Revolut account.

Mr S asked for an ombudsman to review the case.

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 broad terms, the starting position in law is that an EMI like Revolut are expected to process payments that a customer authorises it to make, in accordance with the terms and conditions of the customer's account and the Payment Services Regulations 2017 (PSR's).

But, taking into account the law, regulators rules and guidance, relevant codes of practice and what I consider to have been good industry practice at the time, I consider Revolut should fairly and reasonably have been monitoring accounts and any payments made or received to counter various risks, including preventing fraud and scams.

Also, I'd expect Revolut to have 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). And where a potential risk of financial harm is identified, to have taken additional steps, or made additional checks, or provided additional warnings, before processing a payment.

Did Mr S authorise the payments from his Revolut account?

Where there is a dispute about what happened, and the evidence is incomplete or contradictory, I've reached my decision on the balance of probabilities. In other words, on what I consider is most likely to have happened considering the available evidence.

Mr S says he didn't make or authorise either of the payments made from his Revolut account. I'm satisfied that it's more likely than not Mr S did authorise the payments because:

- Mr S provided selfies to Revolut as part of their intervention on 25 and 26 August 2023. These selfies included a piece of paper on which Mr S had written the date.
- Mr S has provided a copy of his messages with the scammer, in these messages Mr S copied and pasted the questions that Revolut asked as part of their intervention.
- Revolut say that their system doesn't allow payments to be made through screen sharing software. Revolut have also confirmed that the device used to make the payments matches with what Mr S has told us. Also, the card payment was authorised through a pop-up which Mr S had to tap to confirm and verify the payment.

I appreciate that Mr S is adamant that he didn't make these payments, but based on the evidence I'm satisfied that it's more likely than not he did. Especially as he was sharing the questions Revolut were asking him with the scammer and then providing responses to Revolut based on what the scammer told him.

Should Revolut have intervened on the payments Mr S made?

Revolut intervened on the second payment Mr S made and transferred him to one of their agents through their in-app chat. I'm satisfied that this intervention was appropriate as the payment was identifiably related to cryptocurrency and was significantly unusual and out of character compared to Mr S' previous account activity.

But, I'm not satisfied that Revolut should've intervened on the first payment that Mr S made. I say this as Mr S had made a payment of a similar size previously, so it wasn't particularly unusual or out of character for his account. However, for completeness, even if I was satisfied that Revolut should've intervened on the first payment, it wouldn't change the outcome. I'll explain why below.

Could Revolut have prevented Mr S' loss?

When Revolut intervened on the second payment, they referred Mr S to an agent through their in-app chat.

As part of their discussion with Mr S, Revolut asked Mr S to send them a selfie and then asked Mr S questions about the payment he was making and provided two separate safe account scam warnings.

Revolut asked Mr S whether he had downloaded any screen sharing software and provided an example, which included the software Mr S says he downloaded. They asked why Mr S was making the payment, whether he was being pressured to invest, whether he'd been assisted in setting up the investment account and to confirm that he was buying cryptocurrency.

Mr S told Revolut that no one was instructing him, no applications had been downloaded (mentioning by name the software he told our service he downloaded), and that he was doing the investment on his own.

Mr S has shared with us the chat messages between himself and the scammer, which start in April 2023. The payments that Mr S has complained about happened in August 2023 and were to release the funds he'd previously invested.

In June 2023, Mr S copied and pasted into his messages with the scammer questions he was being asked by an institution about a payment/s he was attempting to make as part of the investment. The questions this institution asked included: whether Mr S was making the investment by himself, the name of the company giving him investment advice, how he found the investment opportunity, whether Mr S had full access to his cryptocurrency accounts, whether he'd been able to withdraw the funds he'd invested and whether he'd been asked to pay extra fees that were not disclosed in order to withdraw the funds.

The scammer then provided Mr S with a verbatim response for him to use with that institution. The answers included: Mr S was making the investment by himself and didn't have a company name to share, he had been thinking about cryptocurrency investment for some time after hearing about it on the TV and internet, he'd opened his cryptocurrency account about a year prior after doing due diligence, he had full access to his cryptocurrency wallets, he had made a withdrawal and he hadn't been asked for any extra fees.

In August 2023, when Revolut intervened, Mr S again copied and pasted the questions he'd been asked by Revolut into the messages he had with the scammer. And, again, the scammer gave him answers to the questions which he copied and pasted into his chat with Revolut.

So, even if I was satisfied that Revolut hadn't asked enough questions, or the right type of questions, I'm not satisfied that they could've uncovered the scam. As Mr S wasn't honestly answering their questions and was using the answers given by the scammer, which prevented Revolut from understanding the actual scam he was falling victim to. It also prevented Revolut from giving an impactful warning about the right type of scam, as it could

only give a warning based on the answers Mr S gave and what scam those answers suggested he was falling victim to.

Having carefully considered the evidence, I'm not satisfied that I can fairly say Revolut could've uncovered the scam or prevented Mr S' loss. On that basis, I can't fairly hold them liable or ask them to refund Mr S.

Recovery of funds

Both the card payment and the transfer were used to purchase cryptocurrency.

As the merchant (B), provided the cryptocurrency paid for, a chargeback wouldn't have been successful on the card payment.

Revolut contacted the beneficiary of the transfer but didn't receive a response. But, as the transfer also purchased cryptocurrency, Revolut wouldn't be able to recover the funds as Mr S got what he paid for.

Chargeback and recovery of funds only look at the recipient of the funds, not the ultimate destination, which was an account controlled by the scammer. So, I'm not satisfied that Revolut could've recovered any funds in Mr S' case.

I'm really sorry to disappoint Mr S, but I'm not satisfied that I can fairly hold Revolut liable or ask them to refund him.

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 22 April 2025.

Lisa Lowe
Ombudsman