

The complaint

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

The complaint is brought on Miss 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, Miss T has explained that in August 2024 she made payments from her Revolut account towards a cryptocurrency investment which she ultimately lost to a scam.

Miss T has said she was discussing an investment with someone (the scammer) who she thought worked for a company called "A". She was introduced to a platform with A and following her research on the company she thought she was dealing with a legitimate investment. As a result, Miss T made several payments to individuals using her Revolut account believing the funds were being added to her platform with A.

When Miss T tried to withdraw her money, she was told she needed to pay some fees, which she did. She realised she had been scammed when she was unable to withdraw her funds despite paying the fees.

I have included a breakdown of the transactions below:

Payment number	Date	Amount
1	8 August 2024	£197.26
2	13 August 2024	€ 1,366
3	24 August 2024	€2000 (declined)
4	24 August 2024	€ 2,000
5	28 August 2024	€ 3,155
6	29 August 2024	€ 1,175
7	30 August 2024	€ 1,500
8	30 August 2024	€ 2,700
-	1 September 2024	€ 400 (funds recovered)

Miss 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, Miss T brought her complaint to our service.

Our Investigator looked into the complaint but didn't uphold it. Our Investigator explained that Revolut had provided warnings to Miss T before releasing some of the payments, but she provided incorrect information when asked about them. He also thought the actions taken by Revolut were proportionate to the risks it identified.

Miss T didn't agree with the outcome, so her 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.

Having done so, I agree with the outcome reached by the Investigator. I'll explain why.

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 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 and the different risks these can present to consumers, when deciding whether to intervene.

However, I'd expect any intervention to be proportionate to the circumstances of the payment. I have kept in mind that EMI's such as Revolut process high volumes of transactions each day, and that there is a balance to be found between allowing customers to be able to use their accounts and questioning transactions to confirm they are legitimate.

I don't think the payments were of an unusually excessive value that they would suggest to Revolut that Miss T was at a heightened risk of financial harm from fraud such that it should have intervened. A customer making some larger payments, compared to their usual spending is not uncommon, so I wouldn't have expected Revolut to intervene or provide her with any warnings on the payments because of this. And, as explained above, Revolut needs to strike a balance between allowing customers to use their accounts without unduly hindering legitimate transactions.

I've also considered the frequency of the payments. The scam payments were made over several weeks and although there was a slight escalation in frequency, I still wouldn't have expected that to have caused Revolut any significant concerns. The payments did not increase significantly during this time, which is something that can happen when a customer

is falling victim to a scam. Most of the payments were being sent to individuals (not for example to cryptocurrency exchanges) so Revolut wouldn't have known each payment was being made for investment purposes. Therefore, I think the payments didn't look suspicious in nature, so I don't think it was unreasonable for Revolut to process them in-line with Miss T's instructions.

Although I don't think the payments suggested Miss T was at risk of financial harm from fraud such that Revolut ought to have intervened, Revolut have confirmed that it did intervene for some of the payments, so I'll comment on the interventions. Revolut presented the following to Miss T before she made the first payment to each of the new beneficiaries:

"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."

It also said it displayed messages for Payments 3 and 4 highlighting that it could be a scam and asked Miss T for the purpose of the payments. Miss T advised she was paying a "family member or friend" on one of the payments. She reconfirmed this with Revolut's 'live' agent when she reached out to discuss the payment again after it had been delayed. As part of its warning Revolut asked if Miss T was completing the transactions herself. It asked if she was being pressured to make the payments or told to ignore any warnings and that if someone was telling her to do this then it's likely to be a scam. It also highlighted 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. I think these warnings highlighted several key features which applied to Miss T's payments so the information should have resonated with her and prompted her to question the legitimacy of what she was being asked to do.

Miss T has argued that had Revolut probed her further it's likely the scam would have been uncovered. However, I don't think further intervention was necessary or would have made a difference to the outcome as Miss T was confident the investment was genuine. She has explained A appeared on Companies House which I think would have reassured her. She has since confirmed she was being guided by the scammer on how to answer questions at each step. She has also confirmed that she found the opportunity on a social media platform and not through a friend or family member. It's clear that Miss T trusted what she was being told by the scammer. So, based on her responses to Revolut and the level of control the scammer seemed to have, I don't think Miss T would have revealed much around the circumstances of the payments if probed further.

Based on the above, I think the actions Revolut took for the payments were proportionate to the risks it identified.

I've also considered the comments Miss T has made regarding Revolut's obligations following the introduction of the Consumer Duty. However, given the information that was available to Revolut at the time Miss T made these transactions, I don't think the loss was foreseeable in these circumstances for the reasons I've explained above.

Could Revolut have recovered Miss T's funds?

There are industry standards around attempting recovery of funds where a scam is reported. So, I've also thought about whether Revolut could have done more to recover the funds after Miss T reported the fraud.

Payment 1 was paid by debit card. It's possible to dispute a debit card payment through a process called chargeback, which can sometimes be attempted if something has gone wrong with a debit card purchase, subject to the relevant card scheme's rules. However, a

chargeback wouldn't have been successful in the circumstances. This is because the payment was being made to a legitimate merchant which provided the services as intended.

Revolut contacted the receiving parties to try and recover the rest of her funds. Most of the payments couldn't be recovered but it was able to retrieve €400 which it returned to Miss T. I don't think there was anything further Revolut could have done in the circumstances.

I'm sorry to hear Miss T suffered a financial loss as a result of what happened and for the difficult circumstances she has recently been dealing with. But it would only be fair for me to direct Revolut to refund her 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

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss T to accept or reject my decision before 29 July 2025.

Aleya Khanom
Ombudsman