

The complaint

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

What happened

Sadly, Mr N fell victim to a cruel investment scam. After meeting someone online who introduced him to a cryptocurrency investment scheme, between April and August 2024, Mr N used his existing Revolut account to make the following payments to cryptocurrency exchanges from where the currency purchased was transferred to the scammers:

No.	Date	Amount £
1	21 Apr	100
2	25 Apr	500
3	26 Apr	884
4	27 May	3,192.69
5	16 Jun	2,523.26
6	26 Jul	3,634.37
7	26 Jul	2,670.52
8	29/Jul	2,954.42
9	1 Aug	3,300

I understand Mr N was able to withdraw a small amount from the scheme in the early stages. But when he later tried to withdraw larger amounts he was asked to make a number of payments to cover fees and taxes and this is when he realised it was a scam.

Our investigator didn't recommend the complaint be upheld. He felt Revolut took appropriate steps to warn Mr N about investment scams, noting that he didn't answer some of the questions he was asked accurately.

Mr N didn't accept the investigator's assessment. His representative says Revolut's interventions were inadequate and that it should have asked more probing questions. It also says he didn't mislead anyone about what he was doing and was clear from the outset that he was investing in cryptocurrency.

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. 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 N authorised these 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 N.

The payments

One of the key features of a Revolut account is that it facilitates payments that sometimes involve large amounts and/or the purchase of cryptocurrency. I must take into account that many similar payment instructions it receives will be entirely legitimate.

Nonetheless, Revolut knew these payments were going to cryptocurrency exchanges. Losses to cryptocurrency fraud reached record levels in 2022 and, by the end of that year, many high street banks had placed restrictions or additional friction on cryptocurrency purchases owing to the elevated fraud risk. So, by the time these payments took place, Revolut should have recognised payments to cryptocurrency carried a higher risk of being associated with fraud.

Having considered what Revolut knew about payments 1 to 3 at the time, particularly that the amounts involved were relatively low, I'm not persuaded it ought to have been concerned and I can't reasonably say it was at fault for processing them in line with Mr N's instructions. It appears his representative agrees with this assessment as its initial complaint identified payment 4 as the point when Revolut should have intervened in the payment process.

On 28 April, prior to payment 4, Mr N tried to make a payment of £1,800 to cryptocurrency and this was declined by Revolut. He was shown a screen saying it had been declined because there was a high risk it was part of a scam. He was then asked if anyone was prompting or guiding him, for example by telling him which buttons to press or giving him instructions, to which he replied that he wasn't. After explaining the importance of answering truthfully and that only a scammer would tell him to ignore its warnings, Revolut asked about the reason for the payment. Mr N said it was part of an investment.

Revolut then showed a series of warning screens setting out some common features of investment scams, including that they promise high returns over a short period and operate professional-looking websites. It also emphasised the importance of checking the investment company is on the Financial Conduct Authority's (FCA's) register.

When Mr N confirmed that he wished to continue with the payment, he was directed to speak to an agent using the in-app chat function. The agent explained that the payment had been declined to protect him from a potential scam. When he was asked for more information about the payment, Mr N said he was purchasing cryptocurrency and that this is something he has invested in before and generally does. He also confirmed again that he hadn't been guided to make the payment.

Mr N went through a similar intervention process on 26 July when another payment was declined. This time he didn't say he was investing and instead said the payment was for '*something else*'. Nonetheless, he was shown the same series of warnings about investment scams. He wasn't required to speak to an agent on this occasion.

Revolut carried out the same intervention process again before payment 9 was processed. Again Mr N didn't say the payment was part of an investment, he instead said he was transferring money to another account. In response, he was shown a series of warnings relating to impersonation scams.

Having thought carefully about the risks associated with the payments attempted after payment 3, taking account of the amounts involved and their frequency, I think a proportionate response would have been for Revolut to have asked Mr N about the purpose of the payments so it could provide relevant tailored warnings about the type of scam that could be taking place. On balance, I find that this was broadly achieved.

I'm satisfied Revolut warned Mr N these payments could be part of a scam and asked appropriate questions to establish their purpose and that he wasn't being guided and then to show tailored warnings setting out some common features of investment scams. While Mr N wasn't transparent about the purpose of the payments on the second and third occasion, this didn't prevent Revolut from showing him warnings related to investment scams for a second time.

Mr N's representative may want to argue that Revolut should have carried out similar interventions in respect of more of the payments, but I've no reason to think he would have responded any differently if it had done. Unfortunately, it seems he was strongly under the influence of the scammers and the person he'd met online at the time and placed greater emphasis on what they were telling him over and above any intervention from Revolut.

I want to be clear that it's not my intention to suggest Mr N 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.

I've also noted the comments of Mr N's representative about the FCA's Consumer Duty and I've taken account of Revolut's obligations following its introduction, but I'm not persuaded this changes the outcome here. While Revolut was expected to avoid causing him foreseeable harm, I'm not persuaded its actions (or failure to act) were the cause of the harm he suffered, nor do I think that harm was reasonably foreseeable given the information it had at the time.

Recovery of funds

I've also looked at whether Revolut could or should have done more to try and recover Mr N's losses once it was aware that the payments were the result of fraud.

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. I understand Mr N didn't notify Revolut of the fraud until December 2024, more than four months after the last payment, and it's not a surprise that Revolut's attempts to recover his money weren't successful. Unfortunately, this was also outside the normal timeframe for Revolut to make chargeback claims for the payments that were made by card.

In conclusion

I recognise Mr N 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 don't think any further intervention by Revolut would have made a difference to the eventual outcome 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 N to accept or reject my decision before 29 August 2025.

James Biles
Ombudsman