

THE COMPLAINT

Mr G holds/held an account with Revolut Ltd (“Revolut”).

Mr G’s complaint is about Revolut’s refusal to reimburse him money he says he lost due to a scam.

Mr G is represented by Refundee in this matter. However, where appropriate, I will refer to Mr G solely in this decision for ease of reading.

WHAT HAPPENED

The circumstances of this complaint are well known to all parties concerned, so I will not repeat them again here in detail. However, I will provide an overview.

Mr G says he has fallen victim to a cryptocurrency related investment scam. Mr G says fraudsters deceived him into making payments to what he thought was a legitimate investment with Triumph FX. The payments in question were all payment transfers to Skrill:

Payment Number	Date	Amount
1	21 June 2022	£101
2	21 June 2022	£101
3	25 June 2022	£201
4	25 June 2022	£200
5	25 June 2022	£3,000
6	25 June 2022	£3,001
7	30 June 2022	£9,000

Mr G disputed the above with Revolut. When Revolut refused to reimburse Mr G, he raised

a complaint, which he also referred to our Service.

One of our investigators considered the complaint and did not uphold it. In summary, the investigator thought that Revolut should have intervened in one or more of Payments 5 to 7 by providing Mr G warnings. However, the investigator also thought that had Revolut done so, Mr G would have still gone ahead with the transactions. Refundee, on behalf of Mr G, rejected the investigator's findings stating, in short, that had Revolut carried out a proportionate intervention – this would have uncovered the scam.

As Mr G did not accept the investigator's findings, this matter has been passed to me to make a decision.

WHAT I HAVE 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 find that the investigator at first instance was right to reach the conclusion they did. This is for reasons I set out in this decision.

I would like to say at the outset that I have summarised this complaint in far less detail than the parties involved. I want to stress that no discourtesy is intended by this. If there is a submission I have not addressed, it is not because I have ignored the point. It is simply because my findings focus on what I consider to be the central issues in this complaint.

Further, under section 225 of the Financial Services and Markets Act 2000, I am required to resolve complaints quickly and with minimum formality.

Regulatory framework

The regulations which apply in this matter are the Payment Services Regulations 2017 ("the PSRs").

Should Revolut have recognised that Mr G was at risk of financial harm from fraud?

It is not in dispute that Mr G authorised the payment transactions in this matter. Generally, consumers are liable for payment transactions they have authorised. However, that is not the end of the story. This is because even if a payment is authorised, there are regulatory requirements and good industry practice which suggest firms – such as Revolut – should be on the look-out for unusual and out of character transactions to protect their customers from financial harm. And, if such payment transactions do arise, firms should intervene before processing them. That said, firms need to strike a balance between intervening in a customer's payment to protect them from financial harm, against the risk of unnecessarily inconveniencing or delaying a customer's legitimate transactions.

I have borne the above in mind when considering the payment transactions in this matter.

Payments 1 to 4

I can see that when Mr G set up Skrill as a new payee, Revolut presented him with a new beneficiary warning. I am not persuaded that Payments 1 to 4 should have prompted Revolut to do anything further as I do not consider these transactions to be unusual or out of character. I acknowledge that the payments may have appeared to be cryptocurrency related in nature. However, I have weighed this against the fact that they were relatively low in value, and that the transactions were not significantly out of line with normal spending on

the account concerned.

For these reasons, I would not have expected Payments 1 to 4 to have triggered Revolut's fraud detection systems.

Payments 5 to 7

I am persuaded however that either Payments 5 or 6, and 7 – should have triggered Revolut's systems. I say this primarily due to the value of these transactions which were out of line with spending on the account.

What interventions did Revolut carry out?

None – save for the new beneficiary warning I have referred to.

What kind of intervention should Revolut have carried out?

Given the above aggravating factors, to my mind, there was an identifiable risk. Therefore, I take the view that it would have been reasonable for Payments 5 or 6, and 7 to have triggered Revolut's fraud detection systems – prompting it to intervene before releasing the transactions to try to protect Mr G from financial harm.

I am mindful of the fact that payments occurred in June 2022. I have taken this together with the aggravating factors present. In doing so, my view is that:

- a proportionate intervention to the risk identified for Payments 5 or 6 would have been for Revolut to have provided Mr G with an automated written warning that broadly covered scam risks
- a proportionate intervention to the risk identified for Payment 7 would have been for Revolut to have queried what the transaction was for – through an automated payment purpose request – and then provided Mr G with an automated tailored written warning in response to the option selected

Revolut failed to do this.

If Revolut had intervened in the way described, would that have prevented the losses Mr G suffered from the respective transactions mentioned?

I have explained why it would have been reasonable for the above payments to have triggered interventions from Revolut. So, I must now turn to causation. Put simply, I need to consider whether Revolut's failure to intervene caused Mr G's losses. To do this, I need to reflect on whether such interventions (described above) would have likely made any difference. Having done so, I am not persuaded that they would have. I take the view that, on the balance of probabilities, Mr G would have frustrated Revolut's attempts to intervene to protect him from financial harm – thereby alleviating any concerns Revolut had.

To reach this view I have taken the following into consideration:

- Mr G says his friend introduced him to the scam and set up his account on his behalf.
- Mr G says his friend was able to withdraw money from the scam platform.
- Mr G says he found the fraudsters to be professional, which was supported by their website, WhatsApp groups, Zoom calls, webinars and literature, etc.

- It appears Mr G received a credit from the scam after Payment 1.

It is unknown whether Mr G's friend was in on the scam or not. But what is clear from the WhatsApp exchanges I have seen between them, is that Mr G very much trusted his friend regarding the scam. For example, Refundee submits on Mr G's behalf: "*Since my friend had withdrawn money without any issues, I believed it was legitimate*". I have no doubt that Mr G's belief in the scam was strengthened by the points set out in the final two bullets above.

Further, I have not seen anything to suggest Mr G had any significant concerns about the scam around the time of Payments 5 to 7.

Taking all the above points together, my view is that had Revolut intervened in Payments 5 or 6, and 7 to try to protect Mr G from financial harm (in the way described above): it is likely Mr G would have frustrated this intervention – thereby alleviating any concerns Revolut had. I am not persuaded that the written warnings I would have expected to see in 2022 would have broken the fraudsters' spell. For the reasons already given, I find it likely that Mr G would have either ignored such warnings, or would have spoken to his friend and/or the fraudsters about the warnings. Consequently, they would have likely assuaged any concerns Mr G had.

Recovery of funds

I have considered whether Revolut acted appropriately to try to recover Mr G's funds once the fraud was reported.

Payment transfers

Revolut attempted to recover Mr G's money, but was told by the receiving institution that no funds remained.

If I have understood Refundee's submissions correctly, Mr G's payment transfers were made from Revolut to a Skrill account in Mr G's name. Thereafter, those funds were either moved directly to the fraudsters, or, if not – Mr G should be able to withdraw them from his Skrill account.

Further or alternatively, as Mr G's payments were made to purchase cryptocurrency – which would have been forwarded on in this form – there would not have been any funds to recover.

Further or alternatively, the likelihood that even if prompt action had been taken by Revolut on or immediately after the fraud was reported, any of Mr G's money would have been successfully reclaimed seems slim. I say this because of the time that had elapsed between Mr G's last payment to the scam (June 2022) and when Mr G reported the scam (2024). In these types of scams, fraudsters tend to withdraw/transfer out their ill-gotten gains immediately to prevent recovery.

For these reasons, I am satisfied that it is unlikely Revolut could have done anything to recover Mr G's payment transfers.

Conclusion

Taking all the above points together, I do not find that Revolut has done anything wrong in the circumstances of this complaint. Therefore, I will not be directing Revolut to do anything further.

In my judgment, this is a fair and reasonable outcome in the circumstances of this complaint.

MY FINAL DECISION

For the reasons set out above, my final decision is that I do not uphold this complaint against Revolut Ltd.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 13 June 2025.

Tony Massiah
Ombudsman