DRN-5501414

Financial Ombudsman Service

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. After he responded to an advert he'd seen on social media, scammers contacted him and persuaded him to set up an account with Revolut and make the following transfers to a cryptocurrency exchange in July and August 2024:

No.	Date	Amount £
1	17 Jul	1,000
2	25 Jul	500
3	31 Jul	10,000
4	4 Aug	2,000
5	5 Aug	800
6	5 Aug	1,700

Our investigator didn't recommend the complaint be partly upheld. She felt Revolut carried proportionate interventions and gave appropriate scam warnings.

Mr M didn't accept the investigator's assessment. His representative argues Revolut should have asked more probing questions, particularly about the end destination of the money, and that if it had done 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.

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. I'm also conscious this was a new account and there was no history of past activity against which these payments might have looked suspicious. Finally, I need to consider Revolut's responsibility to make payments promptly.

This notwithstanding, the payments were going to a cryptocurrency exchange. 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 that payments to cryptocurrency carried a higher risk of being associated with fraud.

Having considered what Revolut knew about payments 1 and 2 at the time, particularly that the amounts were relatively low, I don't think it ought to have been particularly concerned and I can't reasonably say it was at fault for processing them in line with Mr M's instructions. It appears his representative agrees with this view as its original complaint letter highlights payment 3 as the point when it felt Revolut should have intervened.

Payment 3 was for a much higher amount and this is the point at which I think Revolut should have identified Mr M may be at risk of harm from fraud. It appears it did recognise this risk when he made his first attempt to make the payment on 30 July.

When this instruction was received, Revolut took Mr M through an intervention process. He was initially asked the purpose of the payments and he said it was a transfer to his investment account. After warning the payment may be part of a scam and the importance of answering truthfully, Revolut asked a series of questions, including whether anyone was telling him how to answer and whether he'd been asked to install software on his device, to which Mr M answered no. It also asked if he'd researched the company he was investing with and he said he'd checked the Financial Conduct Authority (FCA) register. We now know these answers weren't correct.

Mr M was then shown a series of warning screens relating to investment scams. These included warnings that scammers promise high returns in short periods of time and might have professional-looking online platforms, use social media to promote fake investment opportunities, and ask victims to install software to view their screen. They also advised of the importance of doing his own research, including checking the FCA register.

Mr M was then told he'd need to speak to one of Revolut's agents about the payment and I've listened to a recording of that call. The agent asked Mr M a number of relevant questions about the payment but he didn't answer them correctly. While he explained that he was buying cryptocurrency, he was clear that he was doing this without guidance or advice from a financial adviser or investment broker and based on his own internet research. He said no one had contacted him to promote cryptocurrency investment, he hadn't been asked to install software or helped with setting up any of his accounts, and that money was going to his own account to which he had sole access. According to his later complaint, all of these answers were incorrect.

Mr M's representative has said Revolut's agent should have asked further questions, particularly about the end destination of the money. But I think the key questions that, if answered correctly, would have helped it identify he was falling victim to a scam were asked. And given Mr M had said he was purchasing a specific cryptocurrency from an account in his own name, that no one had contacted him to promote investment and he wasn't being advised, there was no particular reason to think the money was going anywhere beyond his own cryptocurrency account.

It's also relevant to note that Revolut's agent provided a fairly comprehensive list of the common features of investment scams that went beyond those listed in the previous waring screens. Mr W should have recognised many of these features in his own situation and the warnings should have been sufficient to make him realise the investment may be a scam.

The payment was cancelled shortly after this call. When he was asked why he'd cancelled it, Mr M said it was a mistake and he'd pressed the wrong button. He then resubmitted the payment the next day.

Having thought carefully about the risk this payment presented, I think a proportionate response would have been for Revolut to have contacted Mr M to find out more about the circumstances of the payment with a view to identifying the type of scam that might be taking place and providing a relevant tailored warning. I'm satisfied that's broadly what took place on this occasion and that Revolut acted appropriately.

The success of any fraud intervention is dependent to some extent on the consumer providing accurate information. In this case, it seems Mr M was intent on hiding what was really going on to ensure the payment went through. When reporting the fraud to Revolut he admitted he was being coached and told how to answer its questions. I note his representative has said there's no evidence in the online chats with the scammer to show he received detailed coaching before the above call, but it's also said Mr M communicated with the scammers over the phone so we don't have a record of everything they discussed. Based on the confidence with which he answered the questions he was asked during the call, I think it's likely he was coached on what to say beforehand. But whatever the reason he didn't provide accurate information, I believe it's clear this did hamper Revolut's attempt to warn and protect him.

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/her losses.

Once the above intervention had been completed, I don't think there was any particular reason for Revolut to suspect payments 4 to 6, which were for much smaller amounts, were part of a scam or that any further intervention was required. But even if it had taken Mr M through a similar process, I can't see any reason to think he would have been more open about what was really going on or that the outcome would have been different.

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.

Revolut's chat history shows Mr M first notified it of the fraud on 8 August 2024, three days 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 his money being recovered successfully.

In any event, Mr M transferred funds to a legitimate cryptocurrency account in his own name. From there, he purchased cryptocurrency and moved it onto a wallet address of his choosing (albeit on the scammers' instructions). Revolut could only try to recover funds from Mr M's own account and it appears all the money had already been moved on. If not, anything that was left would still have been available to him to access.

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 11 September 2025.

James Biles
Ombudsman