

## **The complaint**

Miss P complains that Revolut Ltd won't refund money she lost when she fell victim to an investment scam.

Miss P is being represented by a claims management company in bringing this complaint.

## **What happened**

In November 2022, Miss P made three payments totalling £10,000 from her e-money account with Revolut in connection to what she thought was an investment opportunity, but which she now believes is a scam. Miss P says the broker, which I'll refer to as "T", was recommended to her by a friend who had made significant withdrawals and made money. She says her partner, who also invested in T and received some withdrawals, spoke to a few other investors and was informed it was working well for them. This gave her the confidence that the opportunity was legitimate. Miss P understood she could earn between 6-10% monthly returns on his investment depending on the performance.

To deposit funds, Miss P transferred pound sterling from her Revolut account to another investor's account. In return, the investor transferred US dollars into Miss P's investment account with T. In other words, the third party performed the role of a currency exchange.

Miss P states that T later converted everyone's account balances into its own cryptocurrency coin. All communication stopped when the cryptocurrency coin became worthless, leading Miss P to realise that she had been scammed.

Revolut declined to refund Miss P and said it provided appropriate scam warnings at the time, but these were disregarded. Revolut did attempt recovery from the beneficiary account and was able to retrieve £9,376.46, leaving Miss P's outstanding loss as £623.54.

Our investigator didn't uphold the complaint. They concluded that they hadn't seen credible evidence to persuade them that T was operating a scam when Miss P's payments were made. The investigator also said they weren't persuaded that Revolut could have prevented the payments, given Miss P felt reassured by her partner and her friend that T was legitimate.

Miss P's representative disagree with the investigator's findings and they have asked for an ombudsman's decision. In summary, they believe the information they've provided demonstrates that T was operating fraudulently, and this would have come to light had Revolut intervened appropriately.

## **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.

I'd like to reassure the parties that although I've only summarised the background to this complaint, so not everything that has happened or been argued is set out above, I have read and considered everything that's been provided.

Miss P says she has been the victim of a scam, and that Revolut ought to have intervened on the payments she made. I can see that the entity Miss P's dealings were with as set out in her complaint is incorporated in an overseas jurisdiction and remains regulated by that jurisdiction's regulator. I can also see that the specific entity was named on investor alert lists by two overseas regulators for carrying out certain activities without appropriate license. And in 2023, its regulator took steps to address management issues and shareholder influence.

While regulatory requirements can vary from one jurisdiction to another, a scammer is highly unlikely to submit itself to any kind of regulatory oversight, given the real risk of its true purpose being discovered. Some brokers may have promoted investment products using sales methods that were arguably unethical or misleading. However, while customers who lost out may understandably regard such acts or omissions as fraudulent, it's not sufficient evidence of an intention to defraud customers from the outset.

While I accept that T may not have been regulated to offer its services in the UK at the time of Miss P's payments (it did hold passporting rights previously), and there appear to be poor business practices in some areas, this doesn't automatically mean that it was set up to defraud customers.

I appreciate that Miss P's representative has provided detailed submissions to support their position that T was operating a scam. But even if I were to accept that Miss P was scammed by T (to be clear this isn't my finding), it doesn't mean that Revolut becomes liable to reimburse or refund her. From the information I've seen, Revolut provided a new beneficiary scam warning to Miss P before she made the payments. Had it made further enquiries about the nature of the payments, on balance, I'm not persuaded that anything about Miss P's response would have indicated to Revolut that she was investing in a scam.

Miss P would have explained that she was investing on the recommendation of a friend who appeared to be doing well with their investment. And that her partner had also invested. As there was no adverse information about T in the public domain *at the time* of Miss P's payments, other than the investor alerts which I've addressed above, Revolut couldn't reasonably have identified that a scam was taking place. Miss P's representative has highlighted that there were negative customer reviews. I've read them and they relate to poor customer service experience; they don't allege scam.

The representative also submits that further enquiries from Revolut would have led it to identify that the payment method was strange and out of the ordinary, given trading platforms have a direct deposit method. My understanding from the information our service has seen is that direct deposit methods into T were indeed possible. But as deposits had to be made in US dollars, to avoid incurring additional charges, there was arrangement in place whereby investors often sent pound sterling to investors holding US dollars. In return, that investor credited the first investors investment account with US dollars. Although Miss P hasn't specifically confirmed this, it *could* explain why her payments went to another investor. Regardless, I disagree with her representative's assertion that peer-to-peer payments ought to have appeared strange or unusual to Revolut.

Overall, I'm not persuaded that further probing would have impacted Miss P's decision to make the payments. Her representative has recently provided a website article which refers to T as a scam company. But the article is from 2025 – more than two years after Miss P's payments were made.

Revolut was able to recoup majority of Miss P's funds after it attempted recovery once the matter was reported in 2024. It's told our service these were the only funds available to be retrieved. In the circumstances, I don't think Revolut could or should have done more.

In summary, I know that Miss P will be disappointed with this outcome. Not least because the matter has been ongoing for some time, and her representative's strength of feelings on this. Despite my natural sympathy, it wouldn't be fair of me to hold Revolut responsible for the loss Miss P alleges.

### **My final decision**

For the reasons given, my final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss P to accept or reject my decision before 3 September 2025.

Gagandeep Singh  
**Ombudsman**