

The complaint

Mr A complains that Revolut Ltd won't refund payments he made as a result of a scam.

What happened

Mr A says he fell victim to an investment scam involving the following payments from his Revolut account:

Date	Description	Amount
19 October 2022	Payment to a company, 'E'	\$5,600.00
22 November 2022	Payment to an individual, 'I'	£6,948.00
22 November 2022	Payment to a company, 'E'	\$9,535.00

In summary, Mr A was introduced to a company that I'll refer to as T by a friend – to invest in an established managed fund offering great returns. He's said he was told T was regulated and that, before he invested, he looked at reviews online, spoke to others that invested, and was shown proof of successful withdrawals as well as a track record of profits made. He explained he also attended webinars and was part of a WhatsApp group where investors discussed their transactions.

Having made the payments, Mr A later tried to withdraw money, but found he wasn't able to. He's said it was subsequently announced that his investment would be converted to its own cryptocurrency, which became worthless and inaccessible.

In March 2024, Mr A made a complaint to Revolut, via professional representatives, that he'd been the victim of a scam, and that Revolut missed opportunities to step in and prevent the payments, so it ought to refund his losses. Revolut didn't uphold his complaint. In summary, it said it made the payments he told it to, and it warned him appropriately when he made them.

Unhappy with its response, Mr A brought his concerns to our service. Our investigator concluded there wasn't sufficient evidence to say that T was operating as a scam at the time, given the lack of adverse information when he made the payments.

Mr A's representatives disagreed and responded with substantial submissions in support of the view that T operated a scam which would have come to light had Revolut appropriately intervened.

As a result, the complaint has been passed to me to make 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.

I'd like to reassure both sides 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

considered everything that's been provided.

Not every complaint referred to us and categorised as an investment scam is in fact a scam. Some complaints simply involve high-risk investments that resulted in disappointing returns or losses. Some traders may have promoted these 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, they don't necessarily meet the high legal threshold or burden of proof for fraud, i.e. dishonestly making a false representation and/or failing to disclose information with the intention of making a gain for himself or of causing loss to another or exposing another to the risk of loss (Fraud Act 2006).

Mr A's representatives strongly believe that T was operating a scam and Revolut ought to have intervened on the payments he made in 2022 which he's now disputing.

Having researched T, I can see it was incorporated in an overseas jurisdiction, and it was regulated by the financial services regulator in that jurisdiction at the time of the disputed payments. While regulatory requirements can vary from one jurisdiction to another, I'm mindful that a scammer is highly unlikely to submit itself to any kind of regulatory oversight, given the real risk of its true purpose being discovered.

I accept that T may not have been regulated to offer services in the UK at the time of Mr A's payments. I also acknowledge that prior to his payments, some overseas regulators had issued alerts about T about offering services in their jurisdiction without license. And that its regulatory standing has changed since these payments were made. While this information does indicate that there may have been some poor business practices in some areas, I don't think it's not enough evidence that T was set up to defraud customers and was operating as a scam when the payments were made.

I appreciate Mr A's representatives have provided detailed submissions to support their position. But even if I were to accept that Mr A was scammed, and Revolut ought to have intervened at the time of the payments, I'm not persuaded it could have prevented his loss.

T was recommended to Mr A by a friend he'd known for some time, and he carried out a number of checks before he went ahead. It's also clear he knew T was regulated overseas (and so, it wasn't regulated in the UK) – and it seems that reassured him about going ahead.

So had Revolut reasonably questioned Mr A about the payments, I'm not convinced that his responses would've highlighted that he was investing in a scam. And even if it had concerns with some elements, I don't think the circumstances would've looked alarming enough to suggest it ought to have stopped the payments. Instead, I think the reasonable response would've been to encourage Mr A to do further checks and be wary of investment scams. But I think this response likely would've brought Mr A back to all the checks he'd already carried out, as well as T's regulation overseas. So I'm not persuaded it would've changed Mr A's mind about making the payments.

Once Mr A reported this as a scam to Revolut in March 2024, I don't think it could have done anything more to attempt recovery. Mainly because of the time that had passed from the payments in 2022, and that it seems the payments were made via a third party, as opposed to T directly. Indeed, I note from Revolut's recovery attempts that one of beneficiaries replied to say there wasn't funds left and the other said it didn't accept the return of funds.

I realise this outcome will be hugely disappointing to Mr A, as the matter has clearly brought a lot of distress and frustration. But for the reasons I've explained, I don't think Revolut can be fairly held to blame here, so I'll not be upholding the complaint.

My final decision

For the reasons I've explained, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 21 August 2025.

Emma Szkolar
Ombudsman