DRN-5516687

The complaint

Mr O complains that Revolut Ltd won't refund the money he lost when he was the victim of a scam.

What happened

Sometime before September 2022, Mr O saw an advert for an investment company on a social media platform. He clicked on the link and was then contacted by someone who said they worked for the investment company and would manage his investment for him.

Mr O was told his funds would be invested in a number of commodities. He was shown how to purchase cryptocurrency and sent it on to the investment company, and given access to the company's trading platform where he could see the funds he had invested and the profit it showed he was making.

And Mr O then made a number of payments from his Revolut account to purchase cryptocurrency, which was sent on to the investment company. I've set out the payments Mr O made from his Revolut account below:

Date	Details	Amount
9 November 2022	To cryptocurrency exchange	£200
10 November 2022	To cryptocurrency exchange	£2,000
11 November 2022	To cryptocurrency exchange	£2,000
11 November 2022	To cryptocurrency exchange	£2,000
11 November 2022	To cryptocurrency exchange	£4,000
21 November 2022	To cryptocurrency exchange	£9,000
21 November 2022	To cryptocurrency exchange	£5,000
5 December 2022	To cryptocurrency exchange	£9,999
8 December 2022	To cryptocurrency exchange	£5,000
29 December 2022	To cryptocurrency exchange	£6,000

Unfortunately, we now know the investment company was a scam. The scam was uncovered after the balance showing on Mr O's account on the company's trading platform reduced significantly. Mr O says the company then pressured him to invest further and became hostile when he questioned what was happening. And when Mr O refused to invest further, the company cut off communication. Mr O then realised he had been the victim of a scam and reported the payments he had made to Revolut.

Revolut investigated but said it found no traces of fraudulent activity on Mr O's account, so it didn't agree to refund the money he had lost. Mr O wasn't satisfied with Revolut's response, so referred a complaint to our service.

On of our investigators looked at the complaint. They didn't think anything we would have expected Revolut to have done would have prevented the loss Mr O suffered. So they didn't think it should have to refund the money he lost. Mr O disagreed with our investigator, so the complaint has been passed to me.

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.

In broad terms, the starting position at law is that an Electronic Money Institution ("EMI") such as Revolut is expected to process payments and withdrawals that a customer authorises it to make, in accordance with the Payment Services Regulations (in this case the 2017 regulations) and the terms and conditions of the customer's account.

Taking into account relevant law, regulators rules and guidance, relevant codes of practice and what I consider to have been good industry practice at the time, I consider it fair and reasonable in November 2022 that Revolut should:

- have been monitoring accounts and any payments made or received to counter various risks, including preventing fraud and scams;

- have had systems in place to look out for unusual transactions or other signs that might indicate that its customers were at risk of fraud (among other things). This is particularly so given the increase in sophisticated fraud and scams in recent years, which firms are generally more familiar with than the average customer;

- in some circumstances, irrespective of the payment channel used, have taken additional steps, or made additional checks, or provided additional warnings, before processing a payment – (as in practice Revolut sometimes does);

But, even if Revolut had identified that Mr O was at heightened risk of financial harm from fraud when making some of these payments, I don't think the action I would have expected it to take would have prevented his loss. I'll explain why below.

I'm satisfied Revolut ought to have identified that Mr O was at heightened risk of financial harm from fraud by at least the point he tried to make the payment for £9,000 on 21 November 2022. This payment was for a significant amount, and an amount significantly larger than any other payments made out of Mr O's account previously. And at this point, Mr O had tried to make a number of payments to the cryptocurrency exchange over the past few days, with the payments increasing steadily in size – which is a pattern often seen when customers are falling victim to a scam.

I think a proportionate response to the risk I think Revolut should have identified would have been for it to carry out some sort of human intervention with Mr O to attempt to establish the circumstances surrounding the payment, before allowing it to debit his account. But, had it done this, I'm not satisfied it would have prevented Mr O's loss.

Revolut doesn't appear to have carried out the kind of intervention I would expect here. But Mr O also sent payments towards this scam from an account he held with another bank. And this other bank did stop and contact Mr O about a later payment he tried to make as a result of this scam. It initially messaged him to explain it had blocked the payment to try to protect him from scams and needed to carry out some checks to make sure his money was safe. It said the cryptocurrency company he'd said the payment was going to had a low rating on an online review platform. And it explained scammers may tell you to lie to your bank if the payment is blocked and guarantee returns on investments.

The other bank then spoke to Mr O on the phone about the payment he was trying to make. I've listened to a recording of this call and, in it, the other bank initially asks whether Mr O has been asked to download any apps onto his phone or computer. But, despite telling our service he was told to download remote access software by the investment company, Mr O tells the other bank that he hasn't been asked to download any apps.

The other bank then again explains that scammers will sometimes ask victims to provide their bank with false reasons about a payment they're making, and that it has researched the cryptocurrency company Mr O has said he is sending the payment to and has strong reasons to believe they are scamming people.

Mr O is then asked why he thinks the cryptocurrency company is genuine and, despite telling our service he had only been investing with the investment company for around two months at this point, he tells the other bank he has been investing for six months. Mr O also then tells the other bank that he was recommended the investment by a friend of his who has been dealing with it for years – despite telling our service that he found the investment from an advert online.

From what I've seen of his communication with the investment company, Mr O was told not to tell his banks about the company and just to say he was transferring funds to a cryptocurrency exchange to buy cryptocurrency. And he was also told to say he was purchasing the cryptocurrency for himself and that he'd used the exchange before so it's something he already trusts. So as the other bank warned him that scammers may tell victims to lie to their banks about payments, I think this warning should have resonated with him. And as Mr O appears to have given the other bank incorrect information about the investment, he appears to have been willing to follow the investment company's instructions to do so.

So even if Revolut had asked probing and in-depth questions about the payments he was making here, I think Mr O would likely not have given it accurate or complete information about the purpose or circumstances surrounding them – as happened with the questions he was asked by the other bank. And I don't think any warnings I would have expected Revolut to have shown him following the answers it got from those questions would have impacted his decision to continue making the payments – as the warnings the other bank gave him did not. So I don't think anything I would reasonably have expected Revolut to have done here would have stopped Mr O from making the payments or losing the money he did.

Mr O has said that the other bank's intervention shouldn't be used as a benchmark as it was insufficient. And that he had already experienced difficulty in making payments from his other bank account by the time it called him and would have been more open to discussion about the payment with Revolut.

But I've not suggested the other banks intervention was sufficient, just that Mr O's response to it suggests a proportionate intervention from Revolut wouldn't have prevented his loss. And from his communication with the investment company, Mr O had been being told to mislead his banks before I would have expected Revolut to intervene here, and he appears to have been willing to do so. He'd also already made a number of payments to and from a number of other banks following the investment company's instructions. So I still think it's likely he would have followed the investment company's instructions even if Revolut had intervened earlier and that the intervention wouldn't have prevented his loss.

Mr O also said that he was vulnerable at the time of the scam, as a result of medication he was taking for a medical condition. And my intention isn't to diminish the severity of his condition and I don't underestimate the impact the medication had on him. But I don't think his circumstances mean that I would have expected Revolut to take significantly different action than what I've explained above. And so I still don't think anything I would have expected it to have done would have stopped him from making the payments or losing the money he did.

I appreciate that Mr O has been the victim of a cruel and sophisticated scam and that my decision will come as a disappointment to him. He has lost a significant amount of money and I sympathise with the position he has found himself in. But I can only look at Revolut's responsibilities and, for the reasons I've set out above, I don't think anything I would reasonably have expected it to have done would have prevented the loss he suffered. And so I don't think it would be fair to require Revolut to refund the money Mr O has lost.

My final decision

For the reasons set out above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr O to accept or reject my decision before 11 September 2025.

Alan Millward
Ombudsman