

## The complaint

Mr B complains that Revolut Ltd won't refund him for transactions he lost via a scam.

## What happened

Mr B's represented throughout this complaint, for ease I'll refer to all communications as if they've come from Mr B.

Mr B fell victim to a scam. He saw an advert for a investment on television. After exchanging messages with the fraudsters Mr B was persuaded to invest £1,000. He sent the money to his cryptocurrency wallet before converting it and transferring it on to the fraudsters. The fraudsters told Mr B he'd need to make further payments to allow the release of the successfully invested £1,000, so Mr B made additional payments of £5,000 and £6,000. In total he sent £12,000.

The funds were originally sent from Mr B's current account with another bank I'll call T. Mr B has also raised a complaint with T which I've considered in a separate decision.

Mr B raised a complaint with Revolut, but they thought they'd provided sufficient scam warnings to protect Mr B from financial harm. And they tried to recover his funds but weren't able to do so. Therefore, Revolut thought they'd acted fairly.

One of our Investigators looked into Mr B's complaint, but they didn't uphold it. They thought that by providing two better automated warnings Revolut had done enough to warn Mr B of the possibility of a scam. They also argued that Mr B hadn't been completely open in his answers, specifically answering no to a question asking whether he'd shared access to his device. They thought Revolut also made sufficient efforts to recover his funds.

Mr B didn't accept our Investigator's view. In summary he said:

- Revolut should have intervened at payment two, for £5,000. That's because uncharacteristic amounts were being transferred into his account and rapidly sent to a newly established account.
- The questions asked as part of the better automated warning weren't sufficient and didn't probe in the way human intervention would have.
- Revolut are aware that cryptocurrency represents a higher associated fraud risk, as shown by the better automated warning. And therefore they should have done more to intervene.
- He was completely honest with his answers, advising Revolut that the payments were being made to an account in his own name for a cryptocurrency investment.
- The payments sent were of escalating value, made in quick succession to a newly established payee – sending £11,000 over the space of two days should have led to human intervention from Revolut.

Our Investigator responded to advise that they didn't believe that human intervention would have led to the scam being identified. They said this as when T intervened via a phone call Mr B wasn't completely honest. And they thought it likely if Revolut intervened in the same way Mr B wouldn't have shared sufficient details to enable the scam to be exposed.

But Mr B didn't agree. As no agreement was reached the case was passed to me to decide.

### **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 them 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. But, taking into account the relevant rules and guidance and what I consider to have been good industry practice at the time, I think Revolut ought, fairly and reasonably, to have been on the lookout for unusual and out of character transactions that might indicate Mr B was at risk of financial harm from fraud.

Where a firm like Revolut does have grounds to be concerned about a payment, I think they should reasonably take steps to warn their customer about the risk of continuing with the transaction. Whether a warning should be provided, and if so the nature and extent of that warning, should be proportionate to the risk the payment presents and strike a balance between trying to protect customers and not unduly inconveniencing them. I must also consider that applying significant friction to all payments would be very onerous and would likely be impractical for Revolut.

I've considered whether Revolut acted in Mr B's best interests and took reasonable steps to prevent him from experiencing foreseeable harm. I'd expect Revolut to have systems in place to detect and prevent scams.

Revolut intervened on the first and second payments but unfortunately this didn't lead to Mr B realising he was the victim of a scam. I've considered Revolut's interventions and whether they were proportionate to the risk the payments presented. I'm afraid I think the better automated warnings issued by Revolut were a proportionate response to the risk the payments presented. And I think they carried out sufficient intervention here. I'll explain why below.

When Mr B requested to make the £1,000 and £5,000 payments Revolut asked him a series of questions regarding the reason he wanted to make the transfers, their destination and whether he was being coached. Revolut have argued Mr B wasn't completely honest in his responses, but Mr B disagrees saying the questions Revolut asked weren't clear and he didn't deliberately mislead them.

On reviewing the questions Revolut asked, and Mr B's responses to them, I do find Mr B's responses inconsistent with what happened. I've based this on some of the responses Mr B gave. For example Mr B was asked '*Have you been asked to download software*' to which he responded no and '*Have you researched the company*' to which he responded yes, I've checked the FCA's register and reviews. However, Mr B now accepts he *did* download screen sharing software and that he researched the scammers *after* sending the payments not before.

I appreciate Mr B was under pressure at the time, and scammers are very sophisticated in manipulating victims into giving misleading responses to businesses. However, I do need to consider the impact Mr B's responses had on Revolut's ability to identify a scam. And I'm satisfied that the responses Mr B gave Revolut wouldn't have given them cause for concern, nor led them to increase the level of intervention they decided to carry out.

Mr B has argued that Revolut should have carried out a human intervention at this point. He believes if Revolut asked specific probing questions they'd have successfully identified he was the victim of a scam. Even though I believe Revolut's intervention was sufficient, I've considered whether I think the scam would have been identified if Revolut had carried out a form of human intervention. But I'm afraid I don't. I've based this mainly on the intervention T carried out.

When Mr B transferred the third payment of £6,000 to his Revolut account T intervened and spoke with Mr B over the phone. During that phone call T asked Mr B several times what the payment was for, to which Mr B responded he was moving the money to spend abroad. However, this wasn't the case. Considering both Mr B's responses to Mr B and Revolut I think it's highly likely, even if Revolut had intervened by speaking to Mr B over the phone and asked him specific probing questions, he wouldn't have been completely honest with them either. This would have meant Revolut wouldn't have been able to identify the scam and persuade Mr B to stop his payments.

Finally, I've considered whether Revolut did everything it could to recover his funds. I can see that Revolut reached out to the beneficiary however unfortunately they didn't receive a reply. I'm satisfied Revolut did what I'd expect here.

Overall, while I understand this will be very disappointing for Mr B, I'm afraid I won't be asking Revolut to do anything further here. I acknowledge that Mr B has been the victim of a cruel scam, and is an innocent party, but being the victim of a scam doesn't automatically mean that Revolut are obligated to refund him. My role is to make an impartial judgement on a fair and reasonable basis about whether Revolut have done what they are expected to do. And if they haven't, would Revolut taking the correct action have prevented the scam or successfully recovered Mr B's funds. There is a third party involved – the scammers – who tricked Mr B and caused the loss he suffered. As I've determined in this case Revolut isn't at fault and couldn't reasonably have prevented Mr B's loss it wouldn't be fair or reasonable for me to ask Revolut to provide a refund for actions carried out by the scammers.

### **My final decision**

My final decision is I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 2 January 2026.

Jeff Burch  
**Ombudsman**