

The complaint

Mr A complains that Revolut Ltd ('Revolut') won't refund the money he lost to an investment scam.

He's being represented by a firm of solicitors. To keep things simple, I'll refer to Mr A throughout this decision.

What happened

The background to this complaint is known to both parties, so I won't repeat all the details here. In summary, Mr A says:

- In November 2022, while researching online about an AI-powered investment tool for cryptocurrency, he saw an advert for an investment company (I'll call 'Y'). Y was seemingly discussed on the site of a legitimate platform, endorsed by a well-known public figure, and claimed to be regulated in the UK. As part of his 'due diligence' he found no red flags about it and the general consensus was overwhelmingly positive.
- After paying a small start-up fee, he was contacted by someone (the scammer) posing as a 'financial adviser' at Y. There was regular communication between them. And, believing he was building a genuine and trusting relationship with a knowledgeable and experienced professional, he was guided by them on the steps to take to 'invest'.
- To make the scam more convincing, he was taken through an ID/KYC process; given access to a sophisticated platform where he could see his deposits and 'profits'; and was asked by the scammer to download remote access software so they could 'help' him with setting up accounts with various crypto-exchanges. He was also told high-street banks were against people profiting from cryptocurrency and to open a new Revolut account in order to facilitate payments.
- Believing his returns would be higher the more he invested, he went on to make a series of payments during November and December 2022. These originated from accounts with his personal bank (I'll call 'B') to his new Revolut account and from there to his accounts with the crypto-exchanges. The cryptocurrency he'd purchased was then sent on to the scammer. The amounts towards his 'investment' started to increase in the lead-up to Christmas after he was advised not to make withdrawals and to increase his payments, on the understanding that Y would, in turn, match his 'investments'.
- He realised he'd been scammed when, in January 2023, he tried to make a significant withdrawal (of £300,000) and was told his money was stuck in "cyber world". It was also at that point that he contacted B and the Financial Conduct Authority (FCA) about what had happened. By that time, however, over £168,000 had been lost to the scam. Part of the scam was funded by loans Mr A took out with B and borrowing from family.

The scam was reported to Revolut in January 2023. A complaint was raised and referred to our Service. Our Investigator considered it and didn't uphold it. In brief, he thought Revolut had taken reasonable steps in relation to some payments that were blocked. And that, given

Mr A was not truthful with some of his responses, he wasn't persuaded he'd have responded differently, such that the scam would have been uncovered, even if Revolut had questioned him at different other stages of the scam journey. He also concluded it's unlikely recovery of the faster payments or chargeback claims would have been successful.

As the matter couldn't be resolved informally, it's been passed to me to decide.

Provisional decision

I issued my provisional decision on this case on 22 April 2025. I set out the background as above and explained why I wasn't minded to uphold this complaint. I provided the following reasons:

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 (the 2017 regulations) and the terms and conditions of the customer's account. It's not in dispute that Mr A authorised the transactions in question, so he's presumed liable for his losses in the first instance.

But that's not the end of the matter. As Revolut is aware, taking longstanding regulatory expectations and requirements into account, and what I consider to have been good industry practice at the time, it should have been on the look-out for the possibility of fraud and made additional checks before processing payments in some circumstances.

Prevention

Like the Investigator, I don't think there was enough about the payments in November 2022, looking at their values and the account activity, for Revolut to have intervened on suspicion Mr A was at a heightened risk of financial harm from fraud. I recognise that scams involving cryptocurrency have become increasingly prevalent, but when these payments were made, I think it was reasonable for Revolut to take account of a wide range of factors when deciding whether to take additional steps on a particular payment. I'm also mindful the account was newly opened, so Revolut had more limited information on which to assess a payment risk, and that 'crypto' was one of the recorded reasons as the account opening purpose.

But I think Revolut ought to have had concerns about some of the payments Mr A went on to make about a month later. I note, for instance, there was a significant increase in spending on 21 December 2022 and several payments in quick succession. I also note the spending further increased on 27 and 29 December 2022. In my view, a proportionate response to the risks presented by some of the transactions would have been for Revolut to have questioned Mr A directly about what was happening in an attempt to establish a possible scam risk.

That said, as referred to by the Investigator, Revolut did intervene on some payments (as I'll go on to consider below). And it's also important for me to emphasise here that, even in circumstances where Revolut should arguably have done more to protect Mr A from fraud, it's still necessary to consider whether timely and proportionate interventions would in any event have made a difference, such that I can fairly and reasonably hold it responsible for his losses. On the evidence, and on balance, I'm not persuaded that they would have.

Interventions

The first time Revolut says it intervened was on 21 December 2022, on a transfer Mr A was making for £7,142 to his account with a crypto-exchange. He was first taken through some automated questions in the payment flow and asked "please tell us the purpose of this payment". Mr A selected "something else". Still in the payment flow, Mr A was asked if he'd been told to ignore scam warnings when making the payment; if he was paying someone he

didn't know, barely knew, or recently met online; if he'd been asked to pay an upfront fee in the promise of receiving a larger payment. He responded "no" to all these.

Mr A was then passed to a 'live' agent in the in-app chat and shown a warning "scammers are using increasingly sophisticated techniques to convince customers into transferring funds into complex scams. They can pretend to be a financial institution... trusted online merchants...an exciting investment opportunity". He was then asked if he'd been asked to instal remote access apps. He replied "no". Towards the end of the chat Mr A was told "if you have been told to not inform us about this or withhold information, please consider that the scammer is trying to bypass our controls. Let us know now as we can help you. Remember if you're not honest with us, we cannot help you and you risk losing your money."

There was another intervention on 27 December 2022 for a £40,000 transfer. As part of that interaction, Mr A was again asked if he'd recently downloaded screen sharing apps. He replied "no". He was asked if he'd received calls recently from anyone telling him to create a Revolut account and encouraging him to make transfers. He replied "no". He was asked about how and where he'd heard about Revolut. He replied "recommendation from a friend, I was unhappy with the service from my main bank". And when asked about the payment purpose, Mr A said: "my contractor on my new build property needs urgent payment and he asked me to use Revolut as the normal payment takes a couple of days."

In response to follow-up questions Mr A went on to say he'd known the contractor "more than 5 years" and "he's asked me to do the payment this way" and "the person is on standby for this transaction, I owe him". And once that payment was made, Mr A told Revolut he needed to send another £10,000 the next day to "pay a building contractor". When Revolut warned Mr A always to consider the possibility of a scam when making payments, Mr A added "I fully understand, the builder is a good friend of mine whom I've known for many years there is no chance of a scam". I note there was another payment for £6,000 that was declined on 28 December 2022, for which Mr A chose 'safe account' as the payment purpose and was provided with a tailored warnings based on that response.

In my view, it's arguable (as Mr A suggested in his appeal to our Investigator's outcome), that Revolut ought to have probed further than it did with some of its interventions, given some of the responses it received, the information available about the payments, and the activity on the account. For example, transferring money to a 'safe account' is unlikely to be a plausible reason, so I think Revolut should have gone further than a written warning when it was provided with that payment purpose. And given it ought to have seen that payments were being made to crypto-exchanges, I think it's fair to say it could have gone on to ask more about why a contractor wished to be paid in that way.

At the same time though, I can't overlook Mr A was clearly prepared to provide misleading answers to some key questions relevant to his situation. Mr A was not using the money to pay a building contractor or a friend he'd known for some time. And some other answers he provided to Revolut at the time seem inconsistent with his explanations to our Service around how the scam was conducted. He's told us, for example, he'd been asked by the scammer to open a Revolut account and to download remote access software. I also can't ignore that when asked to give a payment purpose, he didn't select 'investment' (closely matching his situation) from the automated options available – and, in turn, his responses didn't lead naturally to him being shown a more relevant warning.

So, even accepting Revolut should probably have probed further at times and intervened more often than it did, I'm not convinced it follows the scam would necessarily have come to light if it had. Considering how things played out when Revolut did intervene and given the extent to which Mr A was seemingly under the scammer's 'spell', I think it's more likely than not he'd still have found a way around the truth or found another way to make payments.

In reaching the view an intervention is unlikely to have been successful in unravelling the scam, I've also thought carefully about Mr A's responses to the additional information I requested before this decision. In my earlier email, I pointed out that I wasn't persuaded the scam would have been unravelled, even if Revolut had probed further. I specifically asked for comments on this and why Mr A had misled Revolut as to the circumstances of some of the payments. In response, Mr A reiterated he'd been convinced he was dealing with a top banker with a regulated firm, that high-street banks don't want ordinary people to make money by investing; and that Revolut was less fussy in moving money. But this still doesn't explain why he went on to mislead Revolut about the nature of some of his payments. And, given the evidence I referred to above, I'm satisfied any coaching Mr A was given, not to disclose what was really happening, likely extended to Revolut's interventions also.

I note Mr A has also said he was "helped with the transactions from Revolut by the scammer himself taking control of his phone and carrying out the transactions on [his] behalf." The level of control the scammer might have had over Mr A's phone is questionable. But if the scammer did have control of Mr A's device or was helping him to make the payments, then I don't rule out the possibility, for example, of Mr A being guided in real time (by someone he genuinely thought he could trust and had his interests at heart and had instilled a distrust of financial institutions) for the payments to go through. I think it's less likely an intervention would have been successful in bringing the scam to light in such a scenario.

I'm sorry Mr A was the victim of a cruel scam and about the impact the whole experience has had on him. But I can only direct Revolut to refund his losses if I'm satisfied any failings on its part made a material difference to what happened. For the reasons I've given, and on balance, I'm not convinced that they did. And, in terms of recovery, I'm satisfied there was little Revolut could have done given that, for the transfers, the funds had been sent to the scammer by the time the matter was reported while, for the card payments, a chargeback is unlikely to have succeeded given the merchants provided Mr A with the cryptocurrency as intended (before this was lost to the scam).

Responses to provisional decision

I invited further comments and evidence from both parties. I said the deadline for these was 6 May 2025 and that, unless the new information changes my mind, my final decision would likely be along the lines set out in my provisional decision. Revolut didn't respond to my provisional decision. Mr A responded simply to say that he rejected the 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.

Having done so, and given that neither party has provided me with any new information or comments for me to consider, I see no reason to depart from the conclusions I reached in my provisional decision. On the evidence, and for the reasons given, I'm not persuaded any failings on Revolut's part made a material difference to what happened, such that I can fairly and reasonably hold Revolut responsible for Mr A's losses in the circumstances.

My final decision

For the reasons I've given, I do not 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 5 June 2025.

Thomas Cardia
Ombudsman