

The complaint

Mr O complains that Revolut Ltd didn't do enough to protect him from the financial harm caused by an investment scam, or to help him recover the money once he'd reported the scam to it.

What happened

The detailed background to this complaint is well known to both parties. So, I'll only provide a brief overview of some of the key events here.

Mr O came across an investment opportunity on social media. He registered his interest and was contacted via WhatsApp by someone I'll refer to as "the scammer" who told him he could expect returns of up to 20% after six months by investing in cryptocurrency.

Mr O already had an account with a cryptocurrency exchange, and he did some basic research and was satisfied that there were no negative reviews on Trust Pilot. The scammer told him to first purchase cryptocurrency and then load it onto an online wallet. Between 22 February 2022 and 7 May 2022, he made multiple card payments to cryptocurrency exchanges from his Revolut account. He also sent money from Bank H. He realised he'd been scammed when he tried to make a withdrawal and was told he'd have to pay additional fees and taxes.

Mr O complained to Revolut with the assistance of a representative who said Revolut should have asked probing questions when he made the payments and had it done so, it would have identified the hallmarks of a cryptocurrency investment scam because Mr O found the investment on social media, he was being assisted by an unregulated third party, and the returns were unrealistic.

But Revolut refused to refund any of the payments, stating that chargeback claims were rejected because Mr O had received a service from a genuine merchant.

Mr O wasn't satisfied and so he complained to this service with the assistance of his representative. Responding to the complaint, Revolut said the card payments were authorised via 3DS, and Mr O was adding funds to his own cryptocurrency accounts, so the fraudulent activity didn't occur on the Revolut platform. It also said Mr O failed to do reasonable due diligence.

Our investigator didn't think the complaint should be upheld. She thought Revolut should have intervened on 28 February 2022 when Mr O sent \$7,725.35 to C, because this was a high value payment to a cryptocurrency exchange. But she didn't think a general scam warning would have resonated with him.

She thought there should have been a further intervention on 7 March 2022 because the cumulative total for the day was over £10,000, which was unusual for the account. She explained that Revolut should have contacted Mr O to discuss the payment but, based on the outcome of the call he had with Bank H on 23 March 2022, she didn't think this would have made a difference. She explained he told Bank H that he said he was sending the

funds to his own cryptocurrency account, he'd had the account for around 2 years, no one had contacted him, and he'd done his own research. Bank H also provided warnings about cryptocurrency scams.

Our investigator said Mr O was dishonest during the call, and he continued to make further payments from his Revolut account even though he'd been given a warning about cryptocurrency investment scams from Bank H. So, she didn't think an intervention by Revolut on 7 March 2022 would have stopped the scam.

Mr O's representative has asked for the complaint to be reviewed by an Ombudsman. They've argued that Bank H didn't ask probing questions and was largely focused on the legitimacy of the cryptocurrency exchange, which is a regulated platform. They also argued that Mr O was largely honest, having stated he'd inadvertently initiated contact with the scammers after seeing an online advert, so he wasn't contacted out of the blue and probably felt that he'd done his own research. They've also argued that Bank H didn't ask Mr O about the documents he'd mentioned and had it done so, it would have uncovered the scam.

The representative believes Bank H's intervention was ineffective and can't fairly be used as evidence of how an effective intervention from Revolut would have played out, and they maintain that Revolut should have asked open questions, about the investment, the profits Mr O expected, and the end destination of the funds, and had it done so the scam would have been uncovered.

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, I've reached the same conclusion as our investigator. And for largely the same reasons. I'm sorry to hear that Mr O has been the victim of a cruel scam. I know he feels strongly about this complaint, and this will come as a disappointment to him, so I'll explain why.

I'm satisfied Mr O 'authorised' the payments for the purposes of the of the Payment Services Regulations 2017 ('the Regulations'), in force at the time. So, although he didn't intend the money to go to scammers, under the Regulations, and under the terms and conditions of his bank account, Mr O is presumed liable for the loss in the first instance.

There's no dispute that this was a scam, but although Mr O didn't intend his money to go to scammers, he did authorise the disputed payments. Revolut is expected to process payments and withdrawals that a customer authorises it to make, but where the customer has been the victim of a scam, it may sometimes be fair and reasonable for the bank to reimburse them even though they authorised the payment.

Prevention

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.

But, 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 February 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;
- have been mindful of – among other things – common scam scenarios, how the fraudulent practices are evolving (including for example the common use of multi-stage fraud by scammers, including the use of payments to cryptocurrency accounts as a step to defraud consumers) and the different risks these can present to consumers, when deciding whether to intervene.

I've thought about whether Revolut could have done more to prevent the scam from occurring altogether. Buying cryptocurrency is a legitimate activity and from the evidence I've seen, the payments were made to genuine cryptocurrency exchange companies. However, Revolut ought to fairly and reasonably be alert to fraud and scams and these payments were part of a wider scam, so I need to consider whether it ought to have intervened to warn Mr O when he tried to make the payments. If there are unusual or suspicious payments on an account, I'd expect Revolut to intervene with a view to protecting him from financial harm due to fraud.

The payments didn't flag as suspicious on Revolut systems, so I've considered the nature of the payments in the context of whether they were unusual or suspicious, and I think they were. The first two payments were relatively low value and so, even though Mr O was paying a cryptocurrency exchange, Revolut didn't need to intervene. However, the third payment was \$7,725.34 to C, and as this was a significant payment to a high-risk cryptocurrency exchange, Revolut should have intervened.

I think a proportionate response would have been for Revolut to have shown Mr O a written warning about cryptocurrency investment scams, but I don't think this would have caused him to change his mind about making the payment because when he was warned about cryptocurrency investment scams by Bank H on 23 March 2022, he continued to make payments to the scam.

I've thought about whether there were any further opportunities to intervene and I agree with our investigator that Revolut ought to have blocked the second payment Mr O made on 7 March 2022 and asked him some probing questions about the purpose of the payment including why he was making the payments, whether there was a third party involved and if so how he'd met them, whether he'd downloaded remote access software, whether he'd been promised unrealistic returns, whether he'd made any withdrawals, whether he'd been coached to lie, whether he'd done any due diligence and whether he'd been advised to make an onwards payment from the cryptocurrency exchange.

I've listened to the call that took place on 23 March 2022. On that occasion, Mr O said that nobody had told him how to answer the questions, he'd had the cryptocurrency account for two years, he'd done his own research, he'd been on a course and he knew what he was doing, he had documentation, the funds were going to his own account, and C was regulated by the FCA. He was then given a warning tailored to cryptocurrency investment scams, with the call handler stating that it was likely to be a scam if somebody had contacted him and asked him to open an account and that he would be encouraged to invest more and shown fake profits.

I've considered whether this intervention was proportionate to the risk presented by the payment, and I'm satisfied that Mr O was asked relevant and probing questions and that the answers he gave prevented Bank H from detecting the scam. I note the comments his representative has made concerning Bank H having failed to ask Mr O to produce the documentation he claimed to have, but I don't think it was unreasonable that it didn't do this.

I accept he wasn't contacted out of the blue, but I'm satisfied Mr O's references to having done research was in the context of whether he was being assisted by a third party. I'm also satisfied that Bank H gave Mr O a relevant warning which ought reasonably to have resonated with him and that there wasn't anything else I would expect Bank H to have done before allowing the payment to be processed.

Consequently, I agree with our investigator that the call with Bank H can fairly be relied on as evidence that Mr O was prepared to mislead his banks to ensure the payments were processed and of what might have happened if Revolut had intervened on 7 March 2022. Significantly, I've no reason to think an intervention from Revolut would have played out any differently and so, while I think it missed opportunities to intervene, I don't think this represented missed opportunities to have prevented Mr O's loss.

For completeness, I've considered whether there were any further opportunities to intervene and as none of the further payments were significantly higher than the two payments that took place on 7 March 2025, I don't think there were.

Recovery

I don't think there was a realistic prospect of a successful recovery because Mr O paid accounts in his own name and moved the funds onwards from there.

I've thought about whether Revolut could have done more to recover Mr O's payments when he reported the scam to it. Chargeback is a voluntary scheme run by Visa whereby it will ultimately arbitrate on a dispute between the merchant and customer if it cannot be resolved between them after two 'presentments'. Such arbitration is subject to the rules of the scheme — so there are limited grounds on which a chargeback can succeed. Our role in such cases is not to second-guess Visa's arbitration decision or scheme rules, but to determine whether the regulated card issuer (i.e. Revolut) acted fairly and reasonably when presenting (or choosing not to present) a chargeback on behalf of its cardholder (Mr O).

Ms O's own testimony supports that he used cryptocurrency exchanges to facilitate the transfers. It's only possible to make a chargeback claim to the merchant that received the disputed payments. It's most likely that the cryptocurrency exchanges would have been able to evidence they'd done what was asked of them. That is, in exchange for Mr O's payments, they converted and sent an amount of cryptocurrency to the wallet address provided. So, any chargeback was destined fail, therefore I'm satisfied that Revolut's decision not to raise a chargeback request against either of the cryptocurrency exchange companies was fair.

Compensation

The main cause for the upset was the scammer who persuaded Mr O to part with his funds. I haven't found any errors or delays to Revolut's investigation, so I don't think he is entitled to any compensation.

I'm sorry to hear Mr O has lost money and the effect this has had on him. But for the reasons I've explained, I don't think Revolut is to blame for this and so I can't fairly tell it to do anything further to resolve this complaint.

My final decision

For the reasons I've outlined above, my final decision is that 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 28 October 2025.

Carolyn Bonnell
Ombudsman