DRN-5581222

Financial Ombudsman Service

The complaint

Mrs R is being represented by a claims manager. She's complaining about Revolut Ltd because it declined to refund money she lost as a result of fraud.

What happened

Sadly, Mrs R fell victim to a cruel investment scam. After responding to an advert on social media that was endorsed by a well-known celebrity, the scammers contacted her and told her to download remote access software so they could guide her through the process of setting up an account on a fake trading platform. Her representative says the website seemed professional and showed trades being made and profits generated on her behalf. It also says she checked third-party reviews in an attempt to ensure the investment was legitimate.

To fund the scam, Mrs R set up a new account with Revolut and between June and August 2024 she used it to make the following payments to a cryptocurrency exchange, after which the currency purchased was transferred to the scammers:

No.	Date	Amount £
1	19 Jun	678.38
2	28 Jun	1,195.42
3	10 Jul	2,200.60
4	10 Jul	2,539.85
5	29 Jul	843.63
6	29 Jul	3,371.46
7	29 Jul	4,601.81
8	13 Aug	4,185.66

Mrs R realised it was a scam when she was unable to withdraw her money.

Our investigator didn't recommend the complaint be upheld. She felt Revolut provided appropriate scam warnings and concluded that further intervention wouldn't have stopped Mrs R from wanting to go ahead.

Mrs R didn't accept the investigator's assessment and her representative made the following key points:

- Revolut should have known that payments to cryptocurrency were high risk and the fact this was a new account and Mrs R made a number of payments in quick succession was a red flag. In the circumstances a stronger intervention was required.

- During the live chat conversation with one of Revolut's agents, she did say she was moving money via the cryptocurrency exchange to a trading platform where she was buying and selling currency. This was a red flag and Revolut should have asked more questions, including the name of the platform and how the arrangement worked.

- During the later phone call with Revolut, its agent didn't ask sufficient questions, including how she'd found out about the investment. And the warning she was given was ineffective as it was reeled off quickly and in generic terms, thereby failing to bring the scam to life.

- If Revolut had intervened appropriately, the scam would have been uncovered, particularly as there was a warning about the scam company on the website of The International Organization of Securities Commissions (IOSCO).

The complaint has now been referred to me for review. Mrs R has also raised a complaint about the bank from which she transferred money to Revolut to fund these payments. I've addressed that complaint in a separate 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, I've reached the same overall conclusions as the investigator. I haven't necessarily commented on every single point raised but concentrated instead on the issues I believe are central to the outcome of the complaint. This is consistent with our established role as an informal alternative to the courts. In considering this complaint I've had regard to the relevant law and regulations; any regulator's rules, guidance and standards, codes of practice, and what I consider was good industry practice at the time.

There's no dispute that Mrs R authorised these payments. In broad terms, the starting position at law is that an Electronic Money Institution (EMI) such as Revolut is expected to process payments a customer authorises it to make, in accordance with the Payment Services Regulations and the terms and conditions of their account. In this context, *'authorised'* essentially means the customer gave the business an instruction to make a payment from their account. In other words, they knew that money was leaving their account, irrespective of where that money actually went.

There are, however, some situations where we believe a business, taking into account relevant rules, codes and best practice standards, shouldn't have taken its customer's authorisation instruction at 'face value' – or should have looked at the wider circumstances surrounding the transaction before making the payment.

Revolut also has a duty to exercise reasonable skill and care, pay due regard to the interests of its customers and to follow good industry practice to keep customers' accounts safe. This includes identifying vulnerable consumers who may be particularly susceptible to scams and looking out for payments which might indicate the consumer is at risk of financial harm.

Taking these things into account, I need to decide whether Revolut acted fairly and reasonably in its dealings with Mrs R.

The payment

One of the key features of a Revolut account is that it facilitates payments that sometimes involve large amounts and/or the purchase of cryptocurrency and I must take into account that many similar payment instructions it receives will be entirely legitimate. I'm also conscious this was a new account and there was no history of past activity against which these payments might have looked suspicious. Finally, I need to consider Revolut's responsibility to make payments promptly.

This notwithstanding, Revolut knew the payments were going to a cryptocurrency provider. Losses to cryptocurrency fraud reached record levels in 2022 and, by the end of that year, many high street banks had placed restrictions or additional friction on cryptocurrency purchases owing to the elevated fraud risk. So, by the time these payments took place, I think Revolut should have recognised that payments to cryptocurrency carried a higher risk of being associated with fraud.

Having considered what Revolut knew about payment 1 at the time, including that the amount involved was relatively low, I'm not persuaded it ought to have been concerned and I can't say it was at fault for processing it in line with Mrs R's instructions.

Thereafter, it appears Revolut did recognise Mrs R may be at risk of harm from fraud and it intervened before all of the following payments were processed. On each occasion, Mrs R was asked a number of questions about the payment. While she did say they were part of an investment, she didn't answer all of the questions accurately. For example, she consistently answered that she hadn't been asked to install software to allow anyone to view her screen or help set up her investment account, that she didn't find out about the investment through social media and that she had checked the investment company was on the Financial Conduct Authority (FCA) register.

I can't be sure why Mrs R answered these questions in the way she did, but a review of her chats with the scammers indicate she was likely encouraged not to share details with Revolut or her bank. While there are no recordings of the telephone conversations that took place, I can see she told the scammer on 27 June that Revolut was asking about why she was buying cryptocurrency and the response was *'because you want crypto, I think this is your business'*.

On each occasion, Mrs R was then shown a series of warnings stating this could be a scam and setting out many of the common features of investment scams. These included:

- scammers might ask her to install software so they can view her screen and help set up her investment account;
- scammers use social media to advertise fake investments, often endorsed by celebrities to make them appear legitimate; and
- scammers promise high returns over short periods and have professional-looking online platforms.

In addition to the warnings shown on screen in connection with each of payments 2 to 8, Revolut required Mrs R to speak to one of its agents about the payments she was making on 27 June via the online chat. She was also required to speak to one of its agents over the telephone on 29 July.

During the live chat on 27 June, Revolut's agent asked Mrs R a number of questions and again the answers she gave contained inaccuracies, for example that she hadn't been asked to install remote access software. But she did say she'd be moving the cryptocurrency to a trading platform. This pattern is consistent with many types of investment scam and I agree with her representative that this should have raised concerns. In the circumstances, I think it's reasonable to believe the agent should have asked for more details about this, including the name of the platform she was using.

In view of how she answered other questions and the influence the scammers appear to have had, it's not clear Mrs R would have been willing to disclose further information about the platform. But if she had given the name, it's reasonable to think the IOSCO warning

might have been discovered along with the fact that the company wasn't authorised by the FCA.

I've thought carefully about whether this information would have been sufficient to stop Mrs R from proceeding with the payment on 27 June and, on balance, I don't think it would. All it would have told her is that the investment company wasn't authorised by the regulators in the UK or British Columbia and I've not seen anything to indicate the scammers claimed it was. Further, the warning doesn't state the scheme had been identified as a scam. Given Mrs R had checked online reviews that appeared to convince her it was legitimate, I don't think this information would have been sufficient to change her mind about continuing to make payments.

In reaching this conclusion, I'm also conscious that Revolut carried out a more robust intervention on 29 July when Mrs R spoke to one of its agents on the telephone, and that this also wasn't sufficient to stop her making payments.

Despite the agent warning Mrs R of the importance of providing accurate information, she gave similarly incorrect answers about how she had discovered the investment. Nonetheless, the agent did identify this could be a scam and provided a detailed warning covering many of the key features of investment scams, including that:

- many investment scams are promoted via social media;
- victims are often provided with an investment adviser to help them get started
- victims are often asked to install remote access software, something a legitimate company wouldn't ask anyone to do;
- scammers often guide customers on how they should answer questions from their bank; and
- she should be careful of celebrity endorsements promoting high returns, where the celebrity probably doesn't know the investment is fake.

Many of these features were consistent with how we're told this scam unfolded. The warnings were explained clearly and in plain language and I think it's reasonable to believe they should have resonated with her.

The success of any fraud and scam intervention depends to some extent on the consumer providing accurate information. If Mrs R had been clearer about what was going on, for example how she found out about the investment and that she'd been assigned to a broker who used remote access software to help her set up an account and guide her through the process, Revolut would have been in a position to tell her with much greater certainty that she was falling victim to a scam. But based on the information it did receive, I'm satisfied the warnings provided by its agent over the telephone were a proportionate response to the risks it was able to identify.

Overall, I do think there was more that Revolut could have done, particularly during the live chat on 27 June. But for the reasons I've explained, I don't believe this would have made a difference to the outcome and I think this is evidenced by the fact that the telephone intervention on 29 July, which included detailed verbal warnings in addition to those shown on screen, wasn't sufficient to open Mrs R's eyes to the scam.

I want to be clear that it's not my intention to suggest Mrs R is to blame for what happened in any way. She fell victim to a sophisticated scam that was carefully designed to deceive and manipulate its victims. I can understand why she acted in the way she did. But my role is to consider the actions of Revolut and, having done so, I'm not persuaded these were the cause of her losses.

Recovery of funds

I've also looked at whether Revolut could or should have done more to try and recover Mrs R's losses once it was aware that the payments were the result of fraud.

I understand Mrs R didn't tell Revolut about the scam until the end of August 2024, more than two weeks after the last payment. It's a common feature of this type of scam that the fraudster will move money very quickly to other accounts once received to frustrate any attempted recovery and it's not a surprise that attempts to get her money back weren't successful.

Further, Mrs R transferred funds to a legitimate cryptocurrency account in her own name. From there, she purchased cryptocurrency and moved it onto a wallet address of her choosing (albeit on the scammers' instructions). Revolut could only try to recover funds from her own account and it appears all the money had already been moved on and, if not, anything that was left would still have been available to her to access.

Payment 1 was made by card and I've considered whether Revolut should have tried to recover the money through the chargeback scheme, which is a voluntary agreement between card providers and card issuers who set the scheme rules and is not enforced by law. But I'd only expect Revolut to have raised a chargeback claim if it was likely to succeed and it doesn't appear that would have been the case here. Mrs R paid a legitimate cryptocurrency exchange and received a service that involved changing her money into cryptocurrency before sending it to the wallet address she supplied it with. Her disagreement is with the scammer, not the cryptocurrency exchange and it wouldn't have been possible for Revolut to process a chargeback claim against the scammer as she didn't pay them directly.

In the circumstances, I don't think anything that Revolut could have done differently would likely have led to these payments being recovered successfully.

In conclusion

I recognise Mrs R has been the victim of a cruel scam and I'm sorry she lost this money. I realise the outcome of this complaint will come as a great disappointment but, for the reasons I've explained, I don't think any further intervention by Revolut would have made a difference to the eventual outcome and I won't be telling it to make any refund.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs R to accept or reject my decision before 16 October 2025.

James Biles
Ombudsman