

The complaint

Miss J complains that Revolut Ltd won't refund money she lost when she was the victim of a scam.

What happened

The background to this complaint is well known to both parties, so I won't repeat everything here.

In summary, Miss J fell victim to an investment scam. She has advised she saw an online interview discussing an investment which she said was endorsed by a well-known public figure. As a result, she made contact with the investment company, who I will refer to as "C".

As part of the scam, Miss J was asked to open a new account with Revolut. She moved funds from her account with her bank to her Revolut account, and then onto a genuine cryptocurrency provider. I understand her money was then converted into cryptocurrency and sent to the scammer. Miss J was told by the scammer that the transfers she was making were being added to her trading account with C.

Miss J made a debit card payment of £471.19 from her Revolut account and £219 from her bank account in April 2024 as part of the scam.

Miss J said she realised she had been scammed when the fraudsters continued to ask her to invest further funds despite her not having the money to do so. She also found an article online which confirmed the investment hadn't been endorsed.

Miss J raised a complaint with Revolut. Revolut didn't think it had done anything wrong by allowing the payment to go through. So, Miss J brought her complaint to our service.

Our Investigator looked into the complaint but didn't uphold it. Our Investigator didn't think the payment Miss J made was unusual and so they didn't feel Revolut should have identified a scam risk. Miss J didn't agree. She said, in summary, that Revolut should refund the money lost to the scam as she hadn't received the service she had paid for. She had also received a refund from her bank so she thought Revolut should be doing the same. She was also concerned that our service was resolving other Revolut complaints but not doing the same with hers.

Miss J's complaint has now been passed to me for review and a 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.

Miss J has referred to our service dealing with other Revolut cases involving scams. I can't comment on individual cases. We look at complaints on a case-by-case basis, and consider the unique circumstances of each case before reaching a decision.

I'm sorry to learn about what happened to Miss J. It does appear she's been the victim of a cruel scam, and so I can understand why she would think her money should be refunded. But I don't think that I can fairly say that Revolut should refund the money she lost. I'll explain why.

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 April 2024 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;
- have acted to avoid causing foreseeable harm to customers, for example by maintaining adequate systems to detect and prevent scams and by ensuring all aspects of its products, including the contractual terms, enabled it to do so;
- 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.

Miss J had opened her account shortly before the scam so there was no transaction history to compare the payment to. However, it's not unusual to open an account and use it immediately. It's also not unusual for funds to be deposited into a new account before being sent out, so I don't think this would have put Revolut on notice that Miss J was falling victim to a scam.

I appreciate that the payment lost to the scam may have represented a lot of money to Miss J, but it simply was not of a value where I'd usually expect Revolut to be concerned that Miss J was at a heightened risk of financial harm.

The payment was also made to a legitimate cryptocurrency exchange. And while there are known fraud risks associated with cryptocurrency, as scams like this have unfortunately become more prevalent, not all payments related to cryptocurrency are scam related. This means that I wouldn't expect Revolut to intervene on a payment just because it related to cryptocurrency.

I've kept in mind that EMI's such as Revolut process high volumes of transactions each day. There is a balance for Revolut to find between allowing customers to be able to use their

account and questioning transactions to confirm they're legitimate. And taking all the circumstances into account here, I don't think it was unreasonable for Revolut not to view the payment as suspicious, such that it should have carried out any additional checks or given an additional warning before processing the payment. So, I've not found that Revolut ought to have done any more to prevent the scam payment Miss J made.

Miss J has confirmed she received a refund from her bank in relation to the £219 payment she made to the scam. She has advised her bank called her to discuss the payment before processing it for fraud reasons. She believes that Revolut should also be refunding her loss just like her bank did. I'm glad she's received some funds back, but this doesn't mean that Revolut is also under an obligation to do the same and based on the above reasons I won't be asking it to do anything further.

Miss J has raised some concerns around difficulties reporting the scam. I appreciate that dealing with a chat service rather than speaking to someone can at times be frustrating, but having read through the messages with Revolut I don't think there is anything else I would be asking Revolut to do in the circumstances.

Could Revolut have recovered Miss J's funds?

There are industry standards around attempting recovery of funds where a scam is reported. So, I've also thought about whether Revolut could have done more to recover the funds after Miss J reported the fraud.

It's possible to dispute a debit card payment through a process called chargeback, which can sometimes be attempted if something has gone wrong with a debit card purchase, subject to the relevant card scheme's rules. I can see that Revolut advised Miss J to submit a chargeback request to it for the payment, but it decided not to take this forward as she had authorised the payment in its app.

I don't think this was unreasonable because I agree with Revolut that a chargeback claim wouldn't have had a reasonable chance of being successful, even if it had been attempted. This is because Miss J received the service she'd paid for in purchasing cryptocurrency.

I know this outcome will be disappointing for Miss J and I'm sorry for that. But it would only be fair for me to direct Revolut to refund her loss if I thought it was responsible – and I'm not persuaded that this was the case. For the above reasons, I think Revolut has acted fairly and so I'm not going to tell it to do anything further.

My final decision

For the reasons I've explained, I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss J to accept or reject my decision before 1 July 2025.

Aleya Khanom
Ombudsman