

## The complaint

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

## What happened

Sadly, Ms R fell victim to a cruel investment scam. After responding to an advert on social media, she was directed to an online chat where other members were discussing their successes. After following the group for some time, in May and June 2024, Ms R used her existing Revolut account to make the following payments to the scheme:

No.	Date	Amount £
1	15 May	2,000
2	15 May	10
3	15 May	20
4	21 May	1,131.95
5	29 May	7,773.98
6	22 Jun	7,753.09
7	26 Jun	4,800

The payments were made as transfers to a known cryptocurrency exchange. In making this complaint, Ms R's representative said things went well initially and she was able to make a withdrawal of £1,000. But after investing further, she was told she'd need to pay various fees and taxes to withdraw money and this is when she realised it was a scam.

Our investigator didn't recommend the complaint be upheld. He felt Revolut provided appropriate scam warnings based on the information it was given, noting that some of Ms R's answers to its questions didn't appear to be correct.

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

- Revolut failed to ensure there were appropriate systems in place to protect Ms R and failed to carry out proportionate checks on the proposed transactions.
- It ought to have been alerted to sudden, unusual and suspicious activity on Ms R's account and flagged these concerns.
- The '*questions*' Revolut asked of Ms R weren't actually questions but rather a list of basic and overly simplistic assertions/statements that weren't applicable to her circumstances and to which she simply had to tick to confirm her acknowledgement. This was an ineffective tick box exercise that served no true purpose.
- Ms R did carry out some due diligence on the scam investment company before investing, including checking online reviews.

- Revolut provided slightly different warnings in relation to different payments and this demonstrates it didn't have the ability to fully assess the context of Ms R's transactions and was therefore unable to provide appropriately tailored warnings.
- Revolut should have undertaken appropriate questioning with Ms R to gain a full understanding of the payments rather than undertaking a surface level approach. Then it should have provided appropriately tailored warnings relevant to her specific circumstances that were understandable, clear, impactful, timely and specific.

The complaint has now been referred to me for review.

### **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.

Before going any further, I want to address Ms R's concerns about us obtaining information from her bank. Firstly, I'm satisfied this information was potentially relevant to the outcome of this complaint as the bank was involved in the overall process that resulted in Ms R losing money to the scam and it's important to take its role into account in deciding whether Revolut should be responsible for the loss. The fact we may share information with third parties is set out in the '*Complaint Privacy Notice*' in our complaint form, the relevant section of which says:

*In order to investigate a complaint, we need to share information with both parties of the complaint to get both sides of the story. Sometimes, depending on the nature of the complaint, we may also need to share relevant information with other individuals or organisations, for example: another financial business, medical experts or credit reference agencies.*

Having considered all the available evidence and arguments, 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 Ms 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 Ms R.

### *The payments*

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. I must take into account that many similar payment instructions it receives will be entirely legitimate.

Having considered what Revolut knew about payments 1 to 4 at the time, I'm not persuaded it ought to have been particularly concerned about them and I can't say it was at fault for processing them in line with Ms R's instructions. In saying this, I'm conscious the amounts involved were relatively low and that she had used the account to purchase cryptocurrency previously. Payment 5 was much larger, however, and this is the point at which I believe Revolut should have identified that she may be at risk of harm from fraud.

This notwithstanding, Revolut's systems did flag payment 1 and it presented a screen saying it could be scam and that it needed to ask some questions. Ms R was then told about the need to answer truthfully, which was accompanied by a warning that *'if you're being scammed, the fraudster may ask you to hide the real reason for this payment'*. She confirmed she understood that she may not get her money back if she didn't answer truthfully.

Next, Ms R was asked *'Is anyone prompting or guiding you?'* and *'Is someone telling you how to send this payment, which buttons to tap, giving you instructions over the phone, or telling you this is urgent etc?'* Ms R answered that she wasn't being guided and was then shown a message that read *'If someone is telling you to ignore these warnings, they're a scammer'*.

Ms R was then asked *'Why are you making this transfer?'* and presented with a list of options. She selected that she was making an investment. She was then asked *'What kind of investment?'* and she selected the option that read *'gains from cryptocurrency'*. She was then asked the following series of questions:

- *'Have you been asked to install software?'* This was accompanied by a warning that *'Scammers might ask you to install software (e.g. Anydesk) to view your screen, spy on your personal details and help you to set up your investment account'*. Ms R answered that she hadn't been told to download software.
- *'How did you discover this opportunity?'* This was accompanied by a warning that *'Scammers use social media to entice victims by advertising fake investments. Well known celebrities or influencers may promote it to look legitimate'*. From a list of options that included *'online or social media'*, Ms R selected *'none of the above'*.
- *'Have you ever invested in crypto?'* This was accompanied by a warning that *'Inexperienced investors are more likely to be scam targets'*. Ms R answered that she had invested in cryptocurrency before.
- *'Have you researched the company?'* This question was qualified by the statement that *'Regulated investment companies will be on the FCA register. You can also search for mentions of scams in online reviews'*. From a list of options that included checking reviews and finding no mentions of scams, Ms R answered *'Yes – I checked if the firm is on the FCA website'*.

- *'Is this a transfer to an account you control?'*. This was accompanied by a warning that *'Scammed customers can move funds to an account they don't control and lose their money'*. Ms R answered that she was moving money to her own account.

Based on these answers, Ms R was shown a series of warning screens that read:

- ***This could be an investment scam.***

*STOP. Investment scams promise high returns in short periods of time, and might even have professional-looking online platforms.*

- ***Beware of social media promotions***

*Fraudsters use social media to promote fake investment opportunities. Read online reviews to make sure it's legitimate.*

- ***Don't give anyone remote access***

*Scammers may ask you to install software to view your screen. Uninstall software that gives someone else control.*

- ***Do your research***

*Legitimate investment companies are regulated. Search for it on the FCA Register and check for negative reviews.*

- ***Don't be rushed***

*Take your time and speak with family and friends before making large investments. Say no if you're being pressured to invest.*

Finally, Ms R was asked to confirm the following statement:

*Revolut has warned me that this payment is suspicious and I understand the risk of losing my money.*

Revolut has confirmed that Ms R was taken through a similar intervention process in respect of payments 5 and 6 and that she answered the same questions in the same way and was shown a very similar series of warnings screens that read:

- ***This could be a crypto scam.***

*STOP. Crypto scams promise high returns in short periods of time, and might even have professional-looking online platforms.*

- ***Beware of social media promotions***

*Fraudsters use social media to promote fake investment opportunities. Read online reviews to make sure it's legitimate.*

- ***Don't give anyone remote access***

*Scammers may ask you to install software to view your screen. Uninstall software that gives someone else control.*

- ***Do your crypto research***

*Most crypto exchanges aren't regulated. Search for mentions of scams in online reviews.*

- ***Don't be rushed***

*Take your time and speak with family and friends before making large investments. Say no if you're being pressured to invest.*

Contrary to what Ms R's solicitor appears to believe, I'm satisfied the above shows Revolut did ask a number of questions about the payments. These questions may have been accompanied by warning statements but they are clearly open questions and Ms R was presented with a series of options she could select from to answer them.

The effectiveness of any intervention is dependent to some extent on the customer providing accurate information about the payment being made. In this case, I believe it's clear Ms R didn't answer some of Revolut's questions correctly and the fact she answered in the same way on three occasions suggests this can't be attributed to an oversight or mistake. In particular, she didn't disclose that she found out about the opportunity through social media and she said she'd checked the company on the FCA register. In response to my recent enquiry, Ms R has said that she remembered seeing something on the register when she'd checked some years before but I don't think that really explains why she answered this question as she did. I think it should have been clear Revolut was asking if she'd checked whether the company she was actually proposing to invest with at that time was on the register and she hadn't done that.

I can't say for sure whether Ms R responded to these questions in this way because she was trying to hide what she was really doing or whether she was just careless with her answers. But I do believe it's the case that the incorrect answers she gave could only have had the effect of reassuring Revolut about the legitimacy of the payments. I would expect it to have been more concerning if she'd instead revealed that she'd responded to an advert on social media and that she hadn't carried out thorough research.

Overall, I'm satisfied Revolut did identify that Ms R may have been falling victim to a cryptocurrency investment scam and that, based on the information it had, it provided clear and understandable warnings throughout the process that set out some common features of this type of scam and should have resonated with her situation.

This notwithstanding, I think there is an argument that given the high value of payment 5 Revolut should have engaged with Ms R in person, most likely through its in-app chat, to discuss the circumstances in more detail. But based on her response to the above questions, I don't think I can say with any certainty that she'd have been any more accurate or careful with her answers if approached in this way. And whatever she may or may not have said to an agent, they would only have been expected to identify the type of scam that may be taking place and warn about how those scams can operate in a way that might have resonated with her own situation. As I've already explained, I'm satisfied this was largely achieved with the series of interventions that did take place.

Finally, I don't think it's in any way clear that Ms R would have responded to further warnings from Revolut. Her representative has explained that she'd been purchasing cryptocurrency for a number of years and this suggests she was comfortable with the risks associated with

this type of investment. It's also set out the steps she took to satisfy herself the scheme was legitimate and this belief would only have been reinforced by the fact she had already been able to withdraw money and was in a group chat with others who said they'd been able to do the same.

On balance and taking everything into account, I don't think it's likely that any further warnings from Revolut – over and above those that were shown – would have been successful in preventing Ms R from going ahead with payments to the scam.

I want to be clear that it's not my intention to suggest Ms 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 Ms R's losses once it was aware that the payments were the result of fraud.

I understand Ms R didn't report the fraud immediately and 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. In any event, Ms 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 Ms R's own account and it appears the money had already been moved on. If not, anything that was left would still have been available to her to access.

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

### *In conclusion*

I recognise Ms 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 Ms R to accept or reject my decision before 28 August 2025.

James Biles  
**Ombudsman**