

THE COMPLAINT

Mrs R holds/held an account with Revolut Ltd (“Revolut”).

Mrs R’s complaint is about Revolut’s refusal to reimburse her money she says she lost due to a scam.

Mrs R is represented by Mendelsons Solicitors in this matter. However, where appropriate, I will refer to Mrs R solely in this decision for ease of reading.

WHAT HAPPENED

On 6 May 2025, I issued a provisional decision not upholding this complaint. I attach a copy of that provisional decision below – both for background information and to (if applicable) supplement my reasons in this final decision. I would invite the parties involved to re-read the provisional decision.

RESPONSES TO MY PROVISIONAL DECISION

Revolut agreed with my provisional decision stating it had nothing further to add. Mendelsons, on behalf of Mrs R, disagreed. Below is a key part of their submissions:

“The way that Novatech presented themselves was a place to grow savings with weekly returns. [Mrs R] was in receipt of funds that came from the proceeds of sale from her house and her intentions were to use this money towards her savings and that account was to be with Novatech. It was based on their instruction, that the easiest method of having funds transferred to them was via a Revolut account and therefore, when questioned by HSBC she was telling the truth, that the payments were for the intention of increasing her savings. If it was moved away from the HSBC account there would be no temptation to spend. Understandably, when asked by HSBC, she did not feel the need to set out the above in detail. There was no intention, whatsoever, to mislead or in any other way trick or deceive HSBC, it was [Mrs R] genuine understanding at the time.”

In relation to the other points raised in Mendelsons’ submissions, I believe I have already dealt with them in my provisional decision.

WHAT I HAVE 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.

In Mendelsons’ initial submissions to our Service, the above explanation was not mentioned. Further, it was not mentioned in response to the investigator’s findings, which concluded, amongst other things, that: “[Mrs R] wasn’t honest in her interactions with HSBC as she didn’t inform them that she was transferring funds to her Revolut account to make payments to TAP to send to the NovaTech FX platform.” I acknowledge that the investigator relied on this point to argue why Mrs R should share liability with Revolut. However, I still would have expected Mendelsons to have challenged the investigator on this point at the time by setting

out the arguments which they now seek to rely on. Instead, Mendelsons accepted the investigator's conclusions.

Therefore, I do not accept Mrs R's 'recent' explanation as to why she came to say what she did to HSBC. In any event, I find that a reasonable person in Mrs R's circumstances at the time would have likely provided HSBC with the explanation concerned – particularly given the detailed narrative behind the purpose of Mrs R's payments.

For the above reasons, I still take the view that Mrs R would have likely frustrated any attempt from Revolut to try to protect her from financial harm – especially given the type of intervention I would have expected to see in 2022.

In my judgment, this is a fair and reasonable outcome in the circumstances of this complaint.

MY FINAL DECISION

For reasons set out above and in my provisional decision, I have decided to not uphold this complaint against Revolut Ltd.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs R to accept or reject my decision before 24 June 2025.

COPY OF PROVISIONAL DECISION DATED 6 MAY 2025

I have considered the relevant information about this complaint.

The deadline for both parties to provide any further comments or evidence for me to consider is 20 May 2025. Unless the information changes my mind, my final decision is likely to be along the following lines.

If I do not hear from Mrs R, or if she tells me she accepts my provisional decision, I may arrange for the complaint to be closed as resolved without a final decision.

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Mrs R is represented by Mendelsons Solicitors in this matter. However, where appropriate, I will refer to Mrs R solely in this decision for ease of reading.

WHAT HAPPENED

The circumstances of this complaint are well known to all parties concerned, so I will not repeat them again here in detail. However, I will provide an overview.

Mrs R says she has fallen victim to a cryptocurrency related investment scam. She says fraudsters deceived her into making payments to what she thought was a legitimate investment with NovaTech. The payments in question were all transfers from Mrs R's Revolut account to a TAP account in her name (and then to NovaTech):

Payment Number	Date	Amount
1	29 July 2022	£22.00
2	29 July 2022	£3,978.00
3	29 July 2022	£30.00
4	29 July 2022	£200.76
5	29 July 2022	£15.00
6	30 July 2022	£2,015.00
7	05 August 2022	£24,150.00
8	06 August 2022	£24,150.00
9	07 August 2022	£24,150.00
10	07 August 2022	£2,000.00
11	08 August 2022	£5,450.00
12	08 August 2022	£100.00
13	08 August 2022	£835.00

14	08 August 2022	£5.00
15	30 September 2022	£50,000.00
16	30 September 2022	£1,000.00
17	30 September 2022	£100.00
18	01 October 2022	£23,000.00
19	01 October 2022	£1,400.00

Mrs R raised a complaint about the above with Revolut, which she also referred to our Service.

One of our investigators considered the complaint and upheld it in part. In summary, the investigator held that Revolut should have intervened in Payment 7, and had it done so, Mrs R's losses would have been prevented. So, the investigator asked Revolut to refund Mrs R her transactions from Payment 7 onwards – minus 50% for contributory negligence. On Mrs R's behalf, her representatives accepted the investigator's findings, but Revolut did not.

As Revolut did not accept the investigator's findings, this matter has been passed to me to make a decision.

WHAT I HAVE PROVISIONALLY 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 find that the investigator at first instance erred in reaching the conclusion they did. This is for reasons I set out in this decision.

I would like to say at the outset that I have summarised this complaint in far less detail than the parties involved. I want to stress that no discourtesy is intended by this. If there is a submission I have not addressed, it is not because I have ignored the point. It is simply because my findings focus on what I consider to be the central issues in this complaint.

Further, under the rules I must observe, I am required to issue decisions quickly and with minimum formality.

Regulatory framework

The regulations which apply in this matter are the Payment Services Regulations 2017 ("the

PSRs”).

Should Revolut have recognised that Mrs R was at risk of financial harm from fraud?

It is not in dispute that Mrs R authorised the payment transactions in this matter. Generally, consumers are liable for payment transactions they have authorised. However, that is not the end of the story. This is because even if a payment is authorised, there are regulatory requirements and good industry practice which suggest firms – such as Revolut – should be on the look-out for unusual and out of character transactions to protect their customers from financial harm. And, if such payment transactions do arise, firms should intervene before processing them. That said, firms need to strike a balance between intervening in a customer’s payment to protect them from financial harm, against the risk of unnecessarily inconveniencing or delaying a customer’s legitimate transactions.

I have borne the above in mind when considering the payment transactions in this matter.

Payments 1 to 6

I am not persuaded that Payments 1 to 6 were unusual or out of character. I acknowledge these transactions could have appeared as cryptocurrency in nature. However, I have weighed this against the fact that Mrs R’s Revolut account was newly opened and set up for the purpose of crypto. Moreover, I have considered the value of these transactions and the fact they were made in July 2022. For these reasons, I would not have expected Payments 1 to 6 to have triggered Revolut’s fraud detection systems.

Payment 7

I am persuaded, like the investigator, that Payment 7 was unusual and out of character. I say this primarily because of the significant value of the transaction – particularly when measured against the payments that went before. Therefore, I take the view that it would have been reasonable for Payment 7 to have triggered Revolut’s systems; prompting it to intervene before releasing the transaction to try to protect Mrs R from financial harm.

What kind of intervention should Revolut have provided?

Given the above aggravating factors, to my mind, there was an identifiable risk. I am mindful of the fact that Payment 7 occurred in August 2022. I have taken this together with the aggravating factors present. In doing so, my view is that a proportionate intervention to the risk identified would have been for Revolut to have carried out a human intervention via an in-app chat. That is, Revolut should have made further enquiries with Mrs R and provided warnings relevant to cryptocurrency investment scams.

Revolut failed to do this.

If Revolut had intervened in the way described, would that have prevented the losses Mrs R suffered from Payment 7?

I have explained why it would have been reasonable for Payment 7 to have triggered an intervention from Revolut. So, I must now turn to causation. Put simply, I need to consider whether Revolut’s failure to intervene caused Mrs R’s losses. To do this, I need to reflect on whether such an intervention (described above) would have likely made any difference. Having done so, I am not persuaded that it would have. I take the view that, on the balance of probabilities, Mrs R would have frustrated Revolut’s attempt to intervene to protect her from financial harm – thereby alleviating any concerns Revolut had.

I have reached this view for the following reasons.

On 5 and 6 August 2022, Mrs R attempted to transfer money from her HSBC account to her Revolut account. Consequently, she had to speak to HSBC over the telephone. During the course of those calls, HSBC, amongst other things, questioned Mrs R about the purpose of her transfers. In response, Mrs R effectively confirmed that she was making the transfers to her Revolut account so she does not spend the money.

To my mind, Mrs R misled HSBC during the calls. I say this because the purpose of her transfers was to fund – what she thought at the time – a legitimate investment.

It follows from this that I cannot be sure, on balance, that Mrs R would not have attempted to misled Revolut in the same way if it had carried out an intervention for Payment 7. The striking feature in this case is that it is not submitted that Mrs R was coached by the fraudsters on what to say if there was an intervention. This suggests that Mrs R misled HSBC of her own volition. Further, the first call with HSBC occurred on the same day Mrs R made Payment 7. So, I find, given the short space of time, that had Revolut intervened in Payment 7, Mrs R would have likely attempted to misled it the same way she did with HSBC – something she repeated the following day when she spoke to HSBC again.

In the investigator's assessment, they held, amongst other things, that during the calls mentioned: "[Mrs R] *wasn't honest in her interactions with HSBC as she didn't inform them that she was transferring funds to her Revolut account to make payments to TAP to send to the NovaTech FX platform.*" The investigator relied on this point, amongst others, to support an argument that Mrs R should share some liability with Revolut. However, I take the view that the investigator should have relied on this point for the purposes of causation rather than contributory negligence, which is something I have done in this decision. Further, no submissions were made by Mrs R's representatives in response to this point – instead, they accepted the investigator's findings.

I note that in another scam complaint against HSBC which Mrs R referred to our Service, she told HSBC over the telephone that she was transferring her money to a savings account. Again, Mrs R had misled HSBC. Whilst I am not making a finding on this point, I have considered it for wider context.

Taking all the above factors together, they suggest that had Revolut intervened in Payment 7 to try to protect Mrs R from financial harm (in the way described above): it is likely Mrs R would have frustrated this intervention – thereby alleviating any concerns Revolut had.

Should Revolut have exercised further interventions in relation to Mrs R's other payments?

I have thought about whether the other payments in this matter should have triggered Revolut's systems prompting it to intervene.

Having done so, I am not persuaded they should have triggered interventions. I say this because Payment 7 and those before would have set a precedent on Mrs R's account in terms of spending and activity. As Mrs R continued to make payments to the same payee, without any issues, it would have become 'established' on Mrs R's account.

In any event, even if it could be argued otherwise, I am not persuaded that had Revolut carried out interventions in further payments this would have made a difference. I have not seen anything to suggest that Mrs R would not have frustrated such interventions for much the same reasons I have explained earlier in this decision.

Recovery of funds

I have considered whether Revolut acted appropriately to try to recover Mrs R's funds once the fraud was reported.

Mrs R first made Revolut aware of the scam on 19 March 2024. Revolut attempted recovery on 25 April 2024, which was unsuccessful.

The likelihood that even if prompt action had been taken by Revolut on or immediately after 19 March 2024, any of the money transferred would have been successfully reclaimed seems slim. I say this because of the time that had elapsed between Mrs R's last payment in October 2022 and when she reported the scam in March 2024. In these types of scams, fraudsters tend to withdraw/transfer out their ill-gotten gains immediately to prevent recovery.

Further or alternatively, as Mrs R's payments were made to purchase cryptocurrency from her own TAP account – which would have been forwarded on in this form – there would not have been any funds to recover.

For these reasons, I am satisfied that it is unlikely Revolut could have done more to recover Mrs R's funds.

Compensation for distress and/or inconvenience

I have considered whether an award for distress and/or inconvenience is warranted in this matter. Having done so, I am not persuaded that it is. I have not found any errors in Revolut's investigation. Any distress and/or inconvenience Mrs R has suffered is a result of the fraudsters' actions – not Revolut's.

Conclusion

Taking all the above points together, I do not find that Revolut has done anything wrong in the circumstances of this complaint. Therefore, I will not be directing Revolut to do anything further.

In my judgment, this is a fair and reasonable outcome in the circumstances of this complaint.

MY PROVISIONAL DECISION

For the reasons set out above, I am currently minded not to uphold this complaint against Revolut Ltd.

Tony Massiah
Ombudsman