

## The complaint

Mrs A is complaining about Revolut Ltd because it declined to refund money lost as a result of fraud.

## What happened

Sadly, Mrs A fell victim to a cruel investment scam. She says she received a cold call in August 2023 offering her the chance to invest in foreign exchange and was told an investment of £1,700 would earn a return of £12,000 within three months. Convinced this was a genuine opportunity, she made the following payments from her Revolut account (originally opened in 2022) that were lost to the scam:

Date	Amount £	Recipient	Type
10 August	159.09	Payment service provider	Card
21 August	1,500	Cryptocurrency exchange	Transfer

The first payment went to the scammer via a third party payment service and the second to a known cryptocurrency provider, from where I understand it was transferred to a wallet controlled by the scammer.

Mrs A says she realised this was a scam towards the end of September 2023 when she was told she'd need to pay fees to withdraw her money.

Our investigator didn't recommend the complaint be upheld. They felt Revolut took sufficient steps to ask about the purpose of the payment and gave appropriate warnings based on the information it received.

Mrs A didn't accept the investigator's assessment and asked for the case to be referred to an ombudsman. She didn't provide any further submissions.

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.

Having done so, I've reached the same overall conclusions as the investigator, and for broadly the same reasons. 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.

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.

In this case, there’s no dispute that Mrs A authorised the above payments.

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 A.

### *The payments*

One of the key features of a Revolut account is that it facilitates payments that sometimes involve large amounts and the purchase of cryptocurrency and I must take into account that many similar payment instructions it receives will be entirely legitimate. I also need to consider Revolut’s responsibility to make payments promptly.

Having considered what Revolut knew about the first payment, including the amount involved, I’m not persuaded it ought to have been concerned about it.

Revolut knew the second payment was going to a cryptocurrency exchange and that this type of payment carries a higher risk of being associated with fraud. It’s told us it identified Mrs A may be at risk of harm from fraud and asked her to confirm she knew and trusted the payee as well as showing her a series of generic fraud and scam warnings.

Revolut says it also asked Mrs A a number of questions about the payment, in response to which she confirmed it was part of an investment. Revolut says it then showed some warnings about the risk of investment fraud, including that scammers often promise very high returns over a short period of time, but Mrs A opted to continue with the payment.

The effectiveness of any intervention in the payment process depends to some degree on the information the business receives from its customer. In this case, some of the answers Mrs A gave weren’t accurate. For example, she said she’d been introduced to the investment by friends and family and that she’d invested in cryptocurrency before - both of which contradict what she said when making her complaint and would reasonably have lessened any concerns Revolut might have had about the payment.

Based on the information it had, including the amount involved and Mrs A’s answers to its questions, I’m satisfied Revolut’s response was proportionate to the risks associated with the second payment and I wouldn’t have expected it to have intervened further in these circumstances.

With these points in mind, I can’t reasonably say Revolut was at fault for processing the above payments in line with Mrs A’s instructions.

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

I understand Mrs A first notified Revolut of the fraud in March 2024, more than six months 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. Revolut has told us it contacted the cryptocurrency exchange, but I'm not surprised it found there was no money left for recovery after this period of time.

The first payment was a card payment but I don't think Revolut could reasonably have recovered any money through the chargeback scheme. Aside from the fact she didn't tell Revolut about the fraud within the normal timeframe for an eligible claim, it doesn't appear any claim would have been successful in this case. The payment was made to a third party payment processor that provided the service it was engaged for by passing the money to the intended recipient. Mrs A's disagreement is with the scammer, not the payment processor 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 conclusion*

I recognise Mrs A 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 think Revolut acted fairly and reasonably in its dealings with her 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 A to accept or reject my decision before 1 July 2025.

James Biles  
**Ombudsman**