

The complaint

Mr E complains that Revolut Ltd didn't do enough to protect him from the financial harm caused by an investment scam.

What happened

Between 1 September and 19 November 2023 Mr E made debit card payments totalling around £11,000 from his Revolut account to a cryptocurrency exchange. The funds were then transferred to a scam. Mr E believed the investment was legitimate and only realised later that he had been scammed.

Mr E had been introduced to the investment opportunity by a friend (Mr C). He says he didn't have direct contact with the scammers and was added to a messenger group to help him with the systems. Most of the communication about this scam appears to be between Mr E and Mr C. The first time the scam company is mentioned in their chat is on 28 August 2023.

The scam operated on the basis that Mr E believed he was generating returns both from his own investment and from a share of the profits made by individuals he recruited. In addition, he appears to have understood that he would receive a further percentage of the profits from any people those recruits then signed up. This structure created a strong incentive not only for Mr E to invest himself, but also to encourage as many others as possible to do the same. In his conversation with Mr C on 31 August 2023 Mr E references signing his partner up. He also references signing his friend up on 1 September 2023 and signing a further five up by 12 September 2023. He also references with Mr C the idea of gifting people \$50 to encourage people to sign up and help him move up a VIP level.

Our investigator concluded that for the first £3,000 payment made in October 2023 Revolut should have provided a tailored written warning, and that warning should have taken the form of a better automated warning which asks a series of questions to establish the scam risk. While she was persuaded that Revolut had failed to do this, she didn't think that such a warning would have been enough to uncover the scam and prevent Mr E's loss.

Mr E disagrees and believes that a warning would have made a difference. As an agreement couldn't be reached this case has been passed to me for 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.

Having done so, I've reached the same conclusion as our investigator. And for largely the same reasons. I'm sorry to hear about Mr E's circumstances. I know this will come as a disappointment to him, so I'll explain why.

I'm satisfied Mr E authorised the payments for the purposes of the Payment Services Regulations 2017 ('the Regulations'), in force at the time. So, although he didn't intend the

money to go to the alleged scammers, under the Regulations, and under the terms and conditions of his bank account, Mr E is presumed liable for the loss in the first instance.

Although Mr E did authorise the disputed payments Revolut is expected to process payments and withdrawals that a customer authorises it to make. But where the customer has been the victim of a scam, it may sometimes be fair and reasonable for the bank to reimburse them even though they authorised the payment.

Prevention

I've thought about whether Revolut could have done more to prevent the payments. Revolut ought to fairly and reasonably be alert to fraud and scams, so I need to consider whether it ought to have intervened to warn Mr E when he tried to make the payments. If there are unusual or suspicious payments on an account, I'd expect Revolut to intervene to help protect Mr E from financial harm due to fraud.

Based on what I have seen I can't see that there was any intervention from Revolut regarding the disputed transactions. I can't see that Revolut provided Mr E with any written warnings informing him about the risks of scams or that it intervened to ask Mr E further questions about the payments.

Should Revolut have intervened?

I have reviewed Mr E's account and the payments he made to the scam. Having considered when they were made, their value and who they were made to, I'm not persuaded Revolut ought to have found any of the payments up until the first £3,000 payment in October 2023 suspicious, such that it ought to have made enquires of Mr E before processing them. I accept the payments were to a crypto provider, but that doesn't mean payments should automatically be treated as suspicious, particularly when there are no other concerning factors about the payments.

I do however think the first £3,000 payment made in October 2023 justified further intervention from Revolut and it should have provided a tailored warning informing Mr C of the risk of cryptocurrency investment scams.

Considering when the transactions took place and that Revolut should have been aware of the prevalence of these sorts of scams, I think it would have been reasonable for Revolut to provide a more tailored written warning that should have taken the form of a better automated warning. This should have ideally asked Mr E a series of questions aimed at trying to establish whether the payment might be linked to a scam, such as the reason and circumstances around the payment. I've also noted that the payments were directed towards cryptocurrency. Given the well-established association between cryptocurrency transactions and wide variety of scams, I would have expected Revolut to have recognised this risk at the time, and Revolut's warning should have attempted to narrow down the risks further.

I've gone on to consider if such a warning would have resonated with Mr E and stopped him from making the payment. Or alternatively, whether Revolut, after identifying the scam risk, ought to have acted contrary to Mr E's instructions and stop the payment.

For me to be persuaded that Revolut acted unfairly I would need to be persuaded that a written warning informing Mr E of the risks of cryptocurrency investing would have resonated with Mr E and stopped him from making the payments. Or that Revolut should have uncovered the scam based on the circumstances of the payment and Mr E's response to such an automated warning and prevent him from making the payment.

Before this transaction took place Mr E and Mr C messaged extensively about the scam and spent a lot of time trying to sign people up. Mr E also considered giving people \$50 to sign up to increase his VIP level. I can also see that he was so convinced that the scam was genuine that he signed his partner and friends up.

On 28 September 2023, Mr E also in his chat with Mr C mentions a reply a where a friend expressed concerns that the investment was a scam. Specifically saying that based on a quick internet search the scam company had some bad reviews and seemed like a “ponzi/pyramid scheme”. He went on to say that it doesn’t seem sustainable and one day the company will either remodel or rename and people will lose money – and it doesn’t make much sense if you give it some thought. However instead of listening to his friend’s warning Mr E on the advice of Mr C agreed to just “move on” and maybe send a picture of his earnings in month two to that friend.

Mr E and Mr C also spoke about how to link certain cryptocurrency accounts to a current account, which further demonstrates Mr E’s determination to make the payments. Had Revolut stopped the payment I think it’s likely that Mr E would have used another account as the chat shows his willingness to do so.

By the time Revolut should have provided a warning, Mr E had been introduced to the scam by a friend he trusted, had already signed numerous people up to the scam (including his partner), and was considering paying \$50 of his own money to sign up more people. He had also ignored a warning from a person he was trying to sign up and was aware of other accounts and cryptocurrency platforms he could use to make the transfer. I’ve also seen nothing to suggest he had any concerns about the investment.

Given Mr E’s strong belief that the scam was genuine for the reasons stated above, I’m not persuaded on balance that a tailored warning from Revolut would have deterred him.

In addition, based on all the information I’ve seen – I’m not persuaded that Mr E’s response to the warning would have provided Revolut with enough information for it to act contrary to Mr E’s instructions and not complete the payment. For these reasons I’m not satisfied that Revolut’s failure to intervene represented a missed opportunity to prevent the loss. So, I’m not asking them to do anything more.

Recovery

I don’t think there was a realistic prospect of a successful recovery because Mr E paid an account in his own name and moved the funds onwards from there

I’ve thought about whether Revolut could have done more to recover Mr E’s payments when he reported the scam to it. Chargeback is a voluntary scheme run by the card scheme whereby it might ultimately arbitrate on a dispute between the merchant and customer if it cannot be resolved between them after two ‘presentments’. Such arbitration is subject to the rules of the scheme — so there are limited grounds on which a chargeback can succeed. Our role in such cases is not to second-guess the scheme’s arbitration decision or scheme rules, but to determine whether the regulated card issuer (i.e. Revolut) acted fairly and reasonably when presenting (or choosing not to present) a chargeback on behalf of its cardholder Mr E.

It’s only possible to make a chargeback claim to the merchant that received the disputed payments. It’s most likely that the cryptocurrency exchanges would have been able to evidence they’d done what was asked of them. That is, in exchange for Mr E’s payments, they converted and sent an amount of cryptocurrency to the wallet address provided. So,

any chargeback was destined to fail, therefore I'm satisfied that Revolut's chargeback decision was fair.

Compensation

I haven't found any errors or delays to Revolut's investigation, so I don't think Mr E is entitled to any compensation. I'm sorry to hear Mr E has lost money and the effect this has had on her. But for the reasons I've explained, I don't think Revolut is to blame for this and so I can't fairly tell it to do anything further to resolve this complaint.

My final decision

For the reasons I've outlined above, my final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr E to accept or reject my decision before 24 October 2025.

Sureeni Weerasinghe
Ombudsman