

The complaint

Mr S complains that Revolut Ltd ('Revolut') won't refund the money he lost to an investment scam.

He's represented by a firm of solicitors. To keep things simple, I'll refer to Mr S throughout this decision.

What happened

In summary, Mr S says that, in August 2023, he received a message from someone (a scammer) he didn't know and who had seemingly contacted him by mistake. The contact between them nevertheless continued and a relationship started to develop.

Mixed in with casual chat on common interests, the scammer presented as a successful investor and soon offered to 'help' Mr S with making profits in cryptocurrency. And believing he was dealing with someone he could trust, he made payments as instructed. As part of the process he was given access to a convincing-looking platform and told to open accounts with legitimate crypto-exchanges ('C' and 'F'). Other accounts Mr S held with other firms were also used to fund the scam – including 'personal' and 'savings' banks ('H' and 'U').

He says payments were first for 'investment' and later for 'fees' to withdraw funds. He realised he'd been scammed when he was repeatedly asked to pay more in 'fees' and then found information online indicating that what was happening was a scam. By that point, over £90,000 had been sent from Revolut in a series of payments between October 2023 and February 2024. To note, the Revolut account was also newly opened to facilitate payments and some of the money came from loans Mr S took out with various lenders.

A complaint was made to Revolut in May 2024 and later referred to our Service. Our Investigator considered it and didn't uphold it. In brief, he noted Revolut and H had both intervened on payments; Mr S wasn't forthcoming with his answers when questioned; and continued with payments despite having been provided with relevant warnings. He wasn't persuaded that Revolut had missed an opportunity to prevent his losses.

As the matter couldn't be resolved informally, it's been passed to me to decide.

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 decided not to uphold it for similar reasons as the Investigator.

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 (the 2017 regulations) and the terms and conditions of the customer's account. It's not in dispute that Mr S authorised the transactions in question, so he's presumed liable for his losses in the first instance.

But that's not the end of the matter. As Revolut is aware, taking longstanding regulatory expectations and requirements into account, and what I consider to have been good industry practice at the time, it should have been on the look-out for the possibility of fraud and made additional checks before processing payments in some circumstances.

In this case, it's agreed there was enough about some of Mr S's payments for Revolut to have stepped in on concerns that he might be at a heightened risk of harm from fraud – considering, for example, some of their values. That said, as referred to by the Investigator, both Revolut and H intervened on payments (as I'll consider below). And it's important for me to emphasise that, even in circumstances where Revolut should arguably have done more, it's still necessary to consider whether that would have otherwise made a difference to what happened – such that I can fairly and reasonably hold it liable for Mr S's losses.

The Revolut account was restricted in October 2023 and Mr S was told this was because Revolut believed *"it is highly likely that the transactions you are attempting to make are part of a scam"*. Mr S replied *"it's not a scam I'm trying to make a payment to C"*. He confirmed he was buying cryptocurrency and hadn't recently downloaded remote access software. But when asked if he'd received unsolicited calls or messages telling him to create a Revolut account for investment purposes, he responded *"no"* – even though we now know that's what he did. He went on to confirm he'd been able to withdraw funds successfully, that he'd been investing in cryptocurrency for a couple of months, that it was his own decision to begin trading, and that he'd carried out research for several months before starting.

When asked why he'd opened his account, Mr S said he'd read good things about it; that it was more progressive in terms of cryptocurrency; and that he intended to use it also for its benefits. He reassured Revolut he *"wouldn't be rushed into making decisions and certainly wouldn't be influenced by another person when it's my money at stake"*. In turn, he was warned scammers use sophisticated techniques to convince customers to send funds into complex scams and that restrictions on crypto-spending on his newly opened account would be active, for a time, owing to the elevated risks associated with that type of payment. I'm aware that Mr S's scam payments continued from elsewhere in the meantime.

The next intervention was in February 2024. The account was again restricted on scam concerns and Mr S was brought into 'live' chat. He was told *"it is crucial that you provide us with truthful information to help us better understand the situation and take the necessary measures to protect your account"*. I can see that, during that interaction, Mr S went on to confirm he was not being guided on what to say by anyone; that he'd carried out his own research before using C (the crypto-exchange); and that he'd been able to withdraw funds.

He was then warned that scammers use tactics to trick people into buying cryptocurrencies from 'fake websites' and 'investment platforms'. I can also see that when asked *"where do you plan to send the funds from C"*, he responded that while funds currently remained with C, he'd look to invest in some USDT soon *within* that platform. He also confirmed he wasn't being assisted with the payment, that he understood Revolut was acting in his best interests, and that it wouldn't be able to recover his funds if payments were sent to a scam.

I can't overlook that, at no point, was Revolut given any indication about the involvement of a third-party. There's also no suggestion Mr S was going to open up, including about the difficulties he was facing in accessing his funds, despite having been warned in February 2024 (a period Mr S says he was paying for withdrawal 'fees') that *"if someone says you need to send money as a tax or fee to access your funds, you are being scammed"*.

I'll add that even if Revolut should arguably have intervened more often than it did, I'm not convinced things would have played out very differently. In reaching this view, I note when payments were blocked by H, it too was misled about what was really happening across a

number of interventions. It's clear from those interactions (and the scam chat) that Mr S was prepared to give misleading answers to some key questions and to ignore warnings.

In my view, he was heavily under the scammer's 'spell'. I think it's unlikely, considering all the evidence, that the scam would have been exposed even if Revolut had done more in terms of proportionate steps. I'm not convinced Mr S wouldn't still have found a way around the truth or other ways to make payments if necessary. And, as a matter of causation, I can't fairly and reasonably hold Revolut liable for his losses in such circumstances.

In terms of recovery, the transfers were to Mr S's own accounts and he would have been able to access those funds himself if any remained. For the card payments, a chargeback is unlikely to have been successful given there's no dispute cryptocurrency was provided. And, for completeness, there wouldn't have been a basis for Revolut to attempt recovery for any payments to peer-to-peer sellers who were not involved as part of the scam itself. In other words, there was little Revolut could have done by the time the scam was reported.

My final decision

For the reasons I've given, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 26 September 2025.

Thomas Cardia
Ombudsman