

## The complaint

Mr K is complaining that Revolut Ltd didn't do enough to prevent him from making payments to an investment scam.

The complaint is brought on his behalf by a professional representative.

## What happened

Both parties are familiar with the circumstances of the scam so I'll only summarise the details here.

Mr K says that he saw cryptocurrency investments being discussed on a popular talk show. He says he called a number for an investment opportunity he found, and someone ("the scammer") called him back to discuss it.

Mr K initially invested a small amount and was given access to an online platform where he was able to see his returns increasing until they reached £7,000. When he wanted to withdraw the funds, he was told he'd need to make a payment of £10,000 as a holding fee and for commission.

Mr K had opened an account with Revolut in April 2024, apparently on the scammer's instructions. On 17 May 2024 he transferred £10,000 into the account from his account with another business, and then made the following debit card payments as part of the scam:

Payment number	Date	Payee	Amount
1	22 May 2024	Money transfer service A	£180
2	22 May 2024	Money transfer service A	£1,820
3	23 May 2024	Money transfer service A	£2,800
4	23 May 2024	Money transfer service A	£2,700
5	23 May 2024	Money transfer service B	£1,000
6	23 May 2024	Money transfer service B	£1,500

Mr K attempted to make further payments from his account with another business, and after that business spoke to him over the phone about the payments, it told him he was being scammed. Mr K reported the scam to Revolut on 4 June 2024. Revolut considered if it could recover Mr K's payments by raising chargeback claims but decided there were no grounds to do so.

In November 2024, Mr K raised a complaint with Revolut through his representative. Revolut responded to Mr K's complaint to say it didn't think it had treated him unfairly, and Mr K brought his complaint to the Financial Ombudsman.

Our Investigator looked into what happened, but she didn't think Mr K's complaint should be upheld. She did think Revolut should have done more to intervene when Mr K made Payment 4, by asking him some automated questions about the circumstances of the payment to establish the risk of a scam and to give a relevant scam warning. But based on conversations Mr K had about payments he'd made to the scam with the other business, she didn't think an intervention from Revolut would have uncovered the scam.

Mr K's representative responded to say, in summary, that Revolut missed an opportunity to intervene which could have prevented the scam. It said that if Revolut had taken the more personalised approach of contacting Mr K directly to question him about the scam it would have been more effective and prevented him from making further payments.

Mr K's complaint has now been passed to me for review and 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.

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 (in this case the 2017 regulations) and the terms and conditions of the customer's account.

But, taking into account relevant law, regulators rules and guidance, relevant codes of practice and what I consider to have been good industry practice at the time, I consider it fair and reasonable in May 2024 that Revolut should:

- have been monitoring accounts and any payments made or received to counter various risks, including preventing fraud and scams;
- have had systems in place to look out for unusual transactions or other signs that might indicate that its customers were at risk of fraud (among other things). This is particularly so given the increase in sophisticated fraud and scams in recent years, which firms are generally more familiar with than the average customer;
- in some circumstances, irrespective of the payment channel used, have taken additional steps, or made additional checks, or provided additional warnings, before processing a payment – (as in practice Revolut sometimes does);
- have acted to avoid causing foreseeable harm to customers, for example by maintaining adequate systems to detect and prevent scams and by ensuring all aspects of its products, including the contractual terms, enabled it to do so;
- have been mindful of – among other things – common scam scenarios, how the fraudulent practices are evolving (including for example the common use of multi-stage fraud by scammers, including the use of payments to cryptocurrency accounts as a step to defraud consumers) and the different risks these can present to consumers, when deciding whether to intervene.

In light of the above, I've considered whether Revolut can fairly and reasonably be held liable for Mr K's loss. Whilst I think Revolut ought to have recognised that he was at a heightened risk of financial harm from fraud, I don't think Revolut could reasonably have prevented his loss. I know this will be disappointing for Mr K, so I'll explain why.

Mr K's account with Revolut was opened shortly before he made the first payment to the scam, so there wasn't much prior account usage to establish whether the scam payments were out of character for him. I don't consider that the value and pattern of the first three payments should have caused Revolut to be concerned about the risk of financial harm to Mr K, such that it ought to have intervened.

However, Payment 4 was higher in value and was the second payment Mr K had made from his Revolut account to the money transfer service on that day, taking the total value of the payments made that day to £5,500. I think that the activity should have appeared concerning to Revolut at that point, and this should have led Revolut to consider that Mr K was at a heightened risk of financial harm from fraud. Therefore, it should have intervened before this payment went ahead.

Given the value of the payments, their destination and the overall account activity I think a proportionate intervention here would have been for Revolut to have asked Mr K a series of automated questions designed to narrow down the type of scam risk associated with the payment he was making – in order to provide a scam warning tailored to the likely scam Mr K was at risk from.

But while I think Revolut should have done more to intervene here, I must also go on to decide if this intervention would likely have prevented Mr K from making any further payments to the scam. And from the evidence I've seen here, I don't think it would have. I say this because the effectiveness of such an intervention as I've described does rely on the consumer being open and honest about the circumstances of the payment for Revolut to narrow down the scam risk to provide a relevant tailored warning. And there's evidence from Mr K's interactions with another business that Mr K was unlikely to have answered Revolut's questions accurately here, as I'll explain below.

On 25 May 2024, a few days after he made the disputed payments from Revolut, Mr K spoke on the phone with the other business when he was attempting to make a payment to the scam from his account with it. During the call, Mr K explained that he was paying for an item he was going to pick up, he'd seen the item, and he knew the person he was buying it from. The adviser explained that Mr K should be as honest as possible, so it could protect its customers – and Mr K said he understood.

On 26 May 2024, Mr K's account with the other business was blocked. Mr K called the business and was passed over to the fraud department. The adviser asked Mr K about the transaction and Mr K initially said he was paying for some bits and pieces of furniture and household items from someone he'd started chatting to on an online marketplace.

The adviser asked Mr K about a previous payment he'd made to a third business, which was also related to the scam. Mr K said it was to buy cryptocurrency and then went on to explain the circumstances of the alleged investment – at which point the adviser realised he was being scammed. When the adviser asked Mr K about why he'd not been honest about the payments he was making he said that the scammer had told him to lie, because banks don't like this type of investment. Mr K also explained to the adviser that he'd followed the scammer's instructions to say the payment he'd attempted to make from the third business was for everyday spending. Mr K said the scammer seemed genuine, and he trusted him.

The adviser spent some time talking to Mr K about how cryptocurrency investment scams worked, explained in some detail how he was being scammed and advised him not to continue in contact with the scammer, to get in touch with Revolut to let it know that the payments had been made as a result of a scam, and also to let his family know about what had happened. But Mr K didn't immediately contact Revolut and appears to have remained in contact with the scammer. This led to him attempting to make another payment to the scam from the other business. When the other business asked Mr K about why he was making another payment after it had told him he was being scammed, he said the scammer had told him he needed to make a further payment and then the funds would be released, and he was desperate to recover the funds.

Mr K hasn't retained most of his messages with the scammer and his representative says a lot of their interaction was over the phone. However, from the evidence of his conversations with the other business it seems clear Mr K was very much under the spell of the scammer and was following his instructions on how to effectively bypass any scam intervention from the businesses he was making the payments from. From the messages Mr K has provided, I can see that he remained under the spell of the scammer and attempted to make a further payment even after he was clearly told he was being scammed.

Taking all this into account, I think it's very unlikely an intervention from Revolut in the way I've described would have uncovered the scam. I think Mr K would have taken the scammer's instruction on how to answer Revolut's questions to ensure it allowed the payments to be made – perhaps using a similar cover story to the one he'd given to the other business to explain why he was transferring the money. So, I don't think this would have led to Revolut giving Mr K a tailored scam warning which would have resonated with him to potentially uncover the scam that was taking place.

Mr K's representative has argued that a more personalised approach of human intervention from Revolut, rather than an automated warning, would have been more effective and prevented the scam from continuing. Mr K's representative has also mentioned that he was vulnerable because as he said, he was desperate to recover the funds. So, if Revolut had questioned Mr K directly the outcome could have been different. But looking at the value and pattern of the payments I can't agree that a human intervention would have been proportionate to the circumstances of the payments here. And even if Revolut had contacted Mr K directly to discuss Payment 4 via its in-app chat, I think at that point it's not clear Mr K would have been upfront about the circumstances – as he wasn't honest with the other business in the first phone call he had with it a few days later.

Overall, the weight of the evidence suggests that Mr K was under the spell of the scammer, and as such was prepared to be coached and guided by him to disguise the true circumstances of the payments he was making to the scam. I don't think he would have answered any questions from Revolut accurately had it intervened on Payment 4, so it could have given him a relevant scam warning. And even if Mr K had received a relevant scam warning from Revolut, I'm not persuaded this would have prevented him from making further payments to the scam, given that he continued to attempt to make payments even after a thorough intervention from the other business during which he was told he was being scammed.

When the scam was reported Revolut did consider raising chargeback claims, but it didn't find it had any grounds to do so under the relevant card scheme's rules. And I agree that there was little prospect of chargeback claims being successful – the payments were made to money transfer providers, which provided a service to Mr K. So, I don't think Revolut ought reasonably to have done anything else to attempt to recover Mr K's funds.

Once again, I'm very sorry to disappoint Mr K. It appears he's been the victim of a cruel scam, and I can understand why he'd think the payments he made should be refunded. But because I don't think an intervention from Revolut would have prevented his loss, it wouldn't be fair or reasonable to ask it to refund the payments he made.

**My final decision**

My final decision is that I'm not upholding Mr K's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 16 July 2025.

Helen Sutcliffe  
**Ombudsman**