## The complaint

Mr M 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 M throughout this decision.

## What happened

The background is known to both parties. I won't repeat all the details here.

In summary, Mr M says that, in October 2023, he was looking for advice on cryptocurrency investments and posted on social media for recommendations. He was then contacted by someone (the scammer) who tricked him into thinking she was an experienced investor supported by a knowledgeable family member.

The scammer told Mr M that cryptocurrency was too risky and to 'invest' in futures and options instead. There was regular contact between them. And believing he was dealing with a genuine individual he could trust, he made payments for 'investment' as instructed.

As part of the process he was introduced to a fake platform *app* (I'll call 'X') and was then guided by the scammer on which 'trades' to make. He started with a relatively small amount at first but, encouraged by the apparent profits, he went on to invest much more heavily.

The payments were used to buy cryptocurrency through Mr M's account with a legitimate crypto-exchange ('C'), before that was lost to the scam. There was one exchange of fiat to cryptocurrency within the Revolut *app*. He realised he'd been scammed when he could no longer access X's platform and the scammer became unresponsive. By that time, over £12,500 had been sent from Revolut between October and December 2023.

The matter was reported to Revolut in May 2024. A complaint was raised and referred to our Service. Our Investigator didn't uphold it. She noted Revolut had intervened and provided Mr M with some relevant warnings. She also thought it was unlikely proportionate interventions would have unravelled the scam even if Revolut should have gone further than it did at times. 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 M 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. Taking longstanding regulatory expectations and requirements into account, and what I consider to have been good industry practice at the time, Revolut 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, I agree there came a point that Revolut should have stepped in on concerns Mr M might be at a heightened risk of financial harm from fraud – considering, for example, some payment values and the elevated scam risk associated with the type of payee. That said, as referred to by the Investigator, Revolut did intervene on payments (as I’ll consider below). And it’s important for me to emphasise at the outset that, even 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 hold it liable for Mr M’s losses.

The evidence shows that Revolut intervened on Mr M’s first payment to C for £2,000 on 30 October 2023. A ‘new payee’ warning was given. Mr M was then asked a series of questions in the automated payment flow. He was warned *“Please answer truthfully. If you’re being scammed, the fraudster may ask you to hide the real reason for this payment”.* Mr M replied *“I understand”.* When asked why he was making the payment, he responded *“As part of an Investment”* and selected *“foreign exchange, commodities, stock, or bonds”.* He went to say that he’d discovered the ‘opportunity’ through a *“Friend or family member”,* that he’d researched the company, and that he was transferring funds to an account he controlled.

In turn, Mr M was given warnings highlighting some of the key aspects of ‘investment scams’ including *“investment scams promise high returns in short periods of time and might even have professional-looking online platforms”*… *“Fraudsters use social media to promote fake investment opportunities. Read online reviews to make sure it’s legitimate”… “Legitimate investment companies are regulated. Search for it on the FCA register”* and *“Take your time and speak with family and friends before making large investments. Say no if you’re being pressured to invest”.* We know that these warnings didn’t resonate with Mr M. But I’m satisfied the steps Revolut took to establish and warn about a possible scam risk were proportionate to the payment risk presented at that time.

The next intervention was on Mr M’s payment of £970 to C on 1 November 2023. He was again taken through Revolut’s payment flow and asked a series of automated questions. This time, when asked why he was making this transfer, Mr M responded *“Transfer to my other account”* for *“Gains from cryptocurrency”,* that he’d heard about the opportunity from *“friends or family”,* he’d invested in crypto before, and that he’d researched the company. He was then provided with warnings relevant to ‘cryptocurrency investment’ scams. I again think Revolut’s response here was proportionate in light of the payment risk presented.

There were further interventions. For a £3,000 payment to C, on 2 November 2023, Mr M told Revolut he was paying *“a family member or friend”,* that this was for *“Paying rent and bills”*, that he’d not been contacted unexpectedly, and that the details had been provided *“face to face”.* He was given a warning relevant to ‘impersonation’ scams. A similar set of questions and answers were given on Mr M’s next payment to C for £2,500 on 3 November 2023. This time Mr M was also brought into ‘live’ chat and given warnings which included *“If you are being guided, take a moment to pause and verify the legitimacy of the request. Scammers often pose as trusted entities and instruct you to make payments…Be wary if unsolicited messages or calls requesting payments to be made because your money is at risk or investments to be initiated because there’s a too good to be true opportunity...”.* When Revolut asked *“Are you making this transfer because a family member or friend told you they urgently need money?”* Mr M replied *“no I am not”* and *“I want to transfer my money to C”.*

I agree Mr M’s response that he was sending money to C to pay *“rent and bills”* was unusual and warranted further probing. I can accept Revolut should probably still have gone further than it did after Mr M was brought into ‘live’ chat. But, as mentioned above, for me to uphold this complaint requires more than a finding that Revolut should have done more.

In this case, I can’t overlook Mr M was prepared to provide misleading answers to some key questions at times and to move past some relevant warnings. I can’t ignore the evidence in the scam chat that he reverted to the scammer for guidance on how to reply when payments were blocked. On 1 November 2023, for example, Mr M told the scammer about a block and went on to share screenshots when asked *“Send me a screenshot of the page you need to answer the questions. Let me teach you a better answer”.* A similar thing happened on 3 November 2023. And, for me, it’s also significant the messages he exchanged show the relationship had quickly developed into something more personal in nature. He has himself described how trust was built through daily contact and a *“promise of a future together”.*

In my view, Mr M was heavily under the scammer’s spell when the disputed payments came about. I think it’s unlikely, on the evidence and on balance, that a proportionate level of questioning would have led to the scam being exposed. Even if Revolut ought to have probed further, I’m not convinced he wouldn’t still have reverted to the scammer for guidance, found a way around the truth, or another way to make payments if necessary.

I’m mindful that Mr M was manipulated emotionally at an already difficult time. This makes the scam all that much more callous and I’m sorry about the impact the whole experience has had on him. But, for the reasons I’ve given, I’m not persuaded the scam would have likely been unravelled even if Revolut should have done more at times. As a matter of causation, I can’t reasonably hold it liable for his losses in such circumstances. And, in terms of recovery, I agree there was little Revolut could have done given the cryptocurrency had been sent on to the scammer by the time that the matter 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 M to accept or reject my decision before 29 August 2025.

Thomas Cardia
**Ombudsman**