

## **The complaint**

Mr B complains that Revolut Ltd ('Revolut') won't reimburse the funds he lost when he fell victim to a scam.

## **What happened**

Mr B says that in June 2024 he joined a trading academy that used a trading platform I'll refer to as Q in this decision. He says that the academy and platform were a scam and worked together to secure more funds from him. Mr B used his Revolut account to exchange cryptocurrency and send it on to what he thought was Q's platform, but the platform was fake, and to make some transfers. The transfers were presented as loan repayments for buying cryptocurrency in a 'pre-sale'.

The scammer stayed in regular contact with Mr B and advised of a return of five times the amount invested.

Mr B says he realised he was the victim of a scam when the scammer said a withdrawal couldn't be processed due to the large amount involved. He was offered a 'VIP withdrawal offer', which entailed paying a fee. After paying the fee Mr B was unable to withdraw and the scammer made excuses. He reported the scam to Revolut via its in-app chat on 14 December 2024.

Mr B then instructed a professional representative to complain on his behalf. His representative said that the transfers and payments were out of character and that Revolut's interventions weren't effective.

Revolut said it wasn't at fault for processing the transactions and that it provided Mr B with relevant warnings that he did not heed.

Mr B was unhappy with Revolut's response and brought a complaint to this service.

### *Our investigation so far*

The investigator who considered this complaint didn't recommend that it be upheld. The investigator covered which parts of this complaint are in our jurisdiction in detail.

Turning to the merits of the complaint, the investigator said that there was nothing unusual about the deposits. The investigator said that Revolut should have recognised that the \$5,500 exchange from USD to USDT on 26 October 2024 carried a heightened risk of financial harm from fraud, so Revolut should have provided a tailored written warning. But, Revolut intervened on multiple occasions and had a lengthy call with Mr B on 12 December 2024 that didn't break the spell in this sophisticated scam.

Mr B didn't agree with the investigator's findings. Through his professional representative he set out in detail why he didn't think Revolut went far enough in its intervention call. His representative referred to the concerning factors raised by Mr B during the call, to their belief that Revolut failed to set out in clear terms why it thought he was falling victim to a scam, and to a failure to provide adequate warnings.

## **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.

The investigator set out in detail in his view the jurisdiction of this service in respect of Mr B's complaint. He concluded that we are able to consider the acceptance of deposits into Mr B's account, the use of his account to exchange fiat currency into cryptocurrency, and any bank transfers or card payments made as a result of the scam (which Revolut doesn't dispute). I agree with what the investigator said and note that in response to the investigator's view neither party raised any points about which parts of this complaint we can consider. In the circumstances, I see no merit in setting out our jurisdiction in more detail here.

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 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;
- 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;
- 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;
- 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.

I agree with the investigator that Revolut should have taken additional steps when Mr B exchanged \$5,500 to USDT on 26 October 2024, as this exchange represented a significant change in account activity.

I've thought carefully about what a proportionate warning in light of the risk presented would be in these circumstances. I think that at the time Revolut should have had systems in place to identify, as far as possible, the actual scam that might be taking place and to provide tailored effective warnings relevant to that scam. So, I consider Revolut should have asked a series of simple questions to establish the risk the payment presented. These questions needed to go beyond simply asking what the payment was for and why cryptocurrency was being purchased. Once that risk had been established, Revolut should have provided a warning which was tailored to that risk and the answers Mr B gave.

I also consider that there came a point when Revolut needed to go further and ask questions in its in-app chat or in a call to satisfy itself Mr B wasn't at risk of financial harm from fraud (on 27 November or 3 December 2024).

I've gone on to think about whether the interventions I have set out above would have made a difference and prevented Mr B's further loss. In deciding this point I've considered Revolut's interactions with Mr B in respect of other exchanges or transactions.

Each time Mr B set up a new payee Revolut provided him with a new payee warning that said:

*“Do you know and trust this payee?”*

*If you're unsure, don't pay them, as we may not be able to help you get your money back. Remember, fraudsters can impersonate others, and we will never ask you to make a payment.”*

Two cryptocurrency withdrawals were flagged by Revolut's fraud detection systems (one on 30 October 2024, and another on 14 November 2024). Mr B was told Revolut's system had identified a possible scam and Revolut would need to ask him some questions. Revolut advised Mr B to answer the questions truthfully and said that only a scammer would ask him to hide the real reason for the payment. After establishing that Mr B was investing Revolut asked a series of questions on each occasion and gave advice about investment scams, including cryptocurrency investment scams. The questions and advice covered social media platforms being full of fake investment schemes; remote access software; whether Mr B was receiving instructions from an investment manager; fraudsters promising good returns for low risk investments; investment offers from someone he had only just met; fraudsters guiding victims to send money to accounts they don't own, and whether he had researched the company.

On each occasion Mr B said he understood if he was being pressured to make the payment it was a scam, he was not following any instructions to make the payment, that he understood that if he was being offered high returns in a short timeframe he was likely being scammed, he wasn't being offered high returns in a short period of time, he understood that if he was sending money to an account he didn't control he was likely being scammed, and he had researched the company. Revolut told Mr B the transactions were suspicious and delayed the payments for three hours. Mr B was advised to get a second opinion, to research the recipient and to not to let anyone talk him through how to respond to Revolut.

Revolut also blocked a £5,000 transfer on 19 November 2024. Mr B was informed Revolut's systems had identified a potential scam and that he needed to answer its questions honestly. Mr B had the option to say that someone was assisting him but confirmed that he was completing the transaction by himself. After asking further questions this transaction was also put on hold for three hours. Revolut then spoke to Mr B in the chat and in a call.

Finally, on 3 December 2024 Revolut intervened again when Mr B attempted a transfer of \$20,019 to a company. In response to an onscreen question asked, Mr B said he was repaying a loan. A specialist team investigated and called Mr B about the transaction. A Revolut agent had a lengthy conversation with Mr B in which the reason for the transaction was discussed. Mr B was told that the Revolut agent thought he was falling victim to an investment scam.

Taking all these interventions into account, I'm not persuaded that interventions at the points I have identified would have made a difference or prevented Mr B's loss. The kind of intervention I think should have taken place on 26 October 2024 actually happened a few days later, on 30 October. Revolut asked questions to identify the risk posed by the transaction and provided warnings. Mr B didn't provide Revolut with the full picture (he told Revolut that he wasn't receiving instructions from an investment manager) and chose to go ahead with the exchange. I haven't seen anything to suggest that Mr B would have responded differently on 26 October or that Mr B would have chosen not to make further payments if he had received warnings on this date. Mr B had also been communicating with the scammer for a few months by this stage and had received a return.

I'm also not persuaded that intervention on 27 November 2024 or different intervention on 3 December would have prevented Mr B's loss. When Mr B made the payment on 27 November 2024 he was paying the same payee as on 3 December, so I think the call would have been similar.

Mr B's representative has pointed to aspects of the call on 3 December 2024 it says could have gone better. I have listened to Revolut's call with Mr B on this date. The call was lengthy, and I'm satisfied the Revolut agent was clear that he thought Mr B was falling victim to an investment scam and that he explained why.

Mr B was told during the call that he was paying a company unrelated to the financial sector, that his funds had been moved on from the wallet he sent them to, that Q had a very low rating and poor reviews, and that scammers manipulate figures on platforms. The agent provided Mr B with links to a site that advises on scams, to wallet tracing sites and to reviews. He also advised Mr B to check the FCA register and brought investment scams to life. Mr B was asked to think again and to try to withdraw 50% or more of his funds before making the payment, but Mr B chose to go ahead.

I also note that the Revolut agent asked Mr B whether anyone was guiding him or putting him under pressure to make the payment. Mr B said, "absolutely not" and it was his decision, which he later reconfirmed. But Mr B was being helped and guided.

Overall, I'm satisfied Revolut went far enough and that the agent clearly explained to Mr B that there was a very high chance he was falling victim to a scam. I appreciate it was a sophisticated scam, but Mr B chose to go ahead with the transaction.

Revolut attempted to recover the transactions that weren't made to accounts in his own name but was unsuccessful.

I recognise that this was a sophisticated scam and Mr B has lost a substantial amount of money. But I can't fairly require Revolut to reimburse his loss.

### **My final decision**

For the reasons stated, I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 6 November 2025.

Jay Hadfield  
**Ombudsman**