

The complaint

Mr S complains that Revolut Ltd (Revolut, hereinafter) hasn't refunded the losses he's incurred when falling victim to an investment scam.

What happened

Mr S found the investment scam via a social media platform towards the end of 2023. It was advertised as being endorsed by a TV personality, which caught Mr S' attention.

Mr S expressed his interest and was later contacted by the scammer, who introduced him to a fake online investment platform and persuaded him to open an account with Revolut to make the payments.

Mr S also made payments to the scam from other two bank accounts in his name and was directed to open a wallet with a genuine cryptocurrency provider. Mr S funded the scam mostly by taking out loans with several providers, but also through his savings. He received some returns in the early stages of the scam, which were paid into his cryptocurrency wallet.

The scammer persuaded Mr S to make payments to an overseas business account in the name of a firm I'll refer to as V, and a domestic account in the name of a firm I'll refer to as C.

From his Revolut account Mr S made the following payments:

| Payment # | Date | Time | Type of transaction | Amount |
|-----------|------------------|-------|-------------------------------|--------------------|
| 1 | 19 December 2023 | 13:30 | International transfer to V | £1,464.91 |
| 2 | 24 January 2024 | 11:11 | International transfer to V | £9,937.68 |
| 3 | 25 January 2024 | 9:46 | International transfer to V | £14,803.70 |
| 4 | 28 January 2024 | 13:30 | International transfer to V | £19,558.70 |
| 5 | 30 January 2024 | 11:53 | International transfer to V | £9,854.97 |
| 6 | 31 January 2024 | 9:50 | International transfer to V | £14,727.50 |
| 7 | 6 February 2024 | 18:36 | International transfer to V | £14,959.40 |
| 8 | 9 February 2024 | 14:47 | International transfer to V | £9,890.37 |
| 9 | 10 February 2024 | 9:51 | International transfer to V | £4,889.06 |
| 10 | 12 March 2024 | 11:49 | Faster payment to C | £9,000.00 |
| | | | Total Outstanding Loss | £109,086.29 |

Mr S realised he had fallen victim to a scam when he attempted to make a withdrawal of his returns from the scam investment platform and his account showed a negative balance, before the platform was taken down altogether.

Mr S made a complaint to Revolut about what happened on 18 March 2025.

Revolut said it tried to recover Mr S' funds but was unsuccessful. It said it questioned Mr S appropriately at the time it identified that he may be at risk of falling victim to a scam but sadly it wasn't able to protect Mr S, as he gave misleading answers during its interventions.

So, it thinks it's done enough to protect Mr S and declined to refund his losses.

So, Mr S referred the complaint to the Financial Ombudsman Service.

Our Investigator found that Revolut's interventions were, on some occasions, proportionate to the scam risks identified, whilst on some other, it could have done more to probe Mr S to try and unveil the scam. However, they said that intervention was unlikely to prevent Mr S' scam losses as Mr S was untruthful in his interactions with Revolut, showing he was coached and too deep under the spell of the scammer to stop making payments.

Mr S disagreed with our Investigator's view, in the hope that an ombudsman would reach a different outcome.

In light of this disagreement, I have been asked to review everything afresh and reach a decision on the matter.

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.

I'm aware that I've summarised this complaint briefly, in less detail than has been provided, and in my own words. No discourtesy is intended by this. Instead, I've focused on what I think is the heart of the matter here. If there's something I've not mentioned, it isn't because I've ignored it. I'm satisfied I don't need to comment on every individual point or argument to be able to reach what I think is the right outcome. Our rules allow me to do this. This simply reflects the informal nature of our service as a free alternative to the courts.

Where the evidence is incomplete, inconclusive, or contradictory, I must make my decision on the balance of probabilities – that is, what I consider is more likely than not to have happened in the light of the available evidence and the wider surrounding circumstances.

Should Revolut have intervened on the scam payments?

I don't doubt Mr S has been the victim of a scam here – he has lost a large sum of money and has my sympathy for this. However, just because a scam has occurred, it does not mean Mr S is automatically entitled to recompense by Revolut. It would only be fair for me to tell Revolut to reimburse Mr S for his loss (or a proportion of it) if:

- I thought Revolut reasonably ought to have prevented all (or some of) the payments Mr S made, or
- Revolut hindered the recovery of the payments Mr S made

whilst ultimately being satisfied that such an outcome was fair and reasonable for me to reach.

I've thought carefully about whether Revolut treated Mr S fairly and reasonably in its dealings with him, when he made the payments and when he reported the scam, or whether it should have done more than it did.

Having done so, I've decided to not uphold Mr S' complaint, and, broadly, for the same reasons as our Investigator. I know this will come as a disappointment to Mr S and so I will explain below why I've reached the decision I have.

I have kept in mind that Mr S made the payments himself, and the starting position is that Revolut should follow its customer's instructions. So, under the Payment Services Regulations 2017 (PSR 2017) he is presumed liable for the loss in the first instance.

I appreciate that Mr S did not intend for his money to ultimately go to fraudsters and was deceived into doing so – but he did authorise these payments to take place. However, there are some situations when a bank, or an electronic money institution such as Revolut, should have had a closer look at the wider circumstances surrounding a transaction before allowing it to be made.

Considering the relevant: law and regulations; regulators' rules, guidance and standards; codes of practice; and, where appropriate, what I consider to be good industry practice at the time – Revolut should fairly and reasonably:

- Have been monitoring accounts and any payments made or received to counter various risks, including anti-money laundering, countering the financing of terrorism, and 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 payment service providers are generally more familiar with than the average customer.
- In some circumstances, irrespective of the payment channel used, have taken additional steps, or make additional checks, before processing a payment, or in some cases decline to make a payment altogether, to help protect customers from the possibility of financial harm from fraud.
- 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.

So, I've thought about whether the transactions should have highlighted to Revolut that Mr S might be at a heightened risk of financial harm due to fraud or a scam.

Revolut intervened on the first payment Mr S made on 19 December 2023. It issued a warning where it told Mr S it thought he was being scammed, due to the payment being very unusual and 99.2% higher risk than a typical transaction. It asked Mr S to confirm the reason for payment, which Mr S selected as "Buy or rent goods or services". He then selected that he wasn't assisted through the questionnaire, and that he understood that if he was being coached to respond untruthfully, this was a scam. Mr S selected that he was buying goods from an online retailer; that they were averagely priced or more expensive than usual; and that he had met the seller.

At this point, Mr S was taken through a warning about purchase scams that he could not skip past. Following that, there was a live in-app intervention where Mr S was asked to explain the reasons for the payment. He stated that he was buying goods and services from overseas and that he was using Revolut because it had favourable international money transfer rates. So, Revolut processed the payment.

I think this intervention was proportionate to the scam risks identified and to the value of the payment Mr S was making. Moreover, I believe Mr S' answers didn't allow Revolut to identify the correct scam risks and issue a more relevant warning to Mr S.

Revolut intervened on three more occasions throughout the scam and Mr S proceeded to give broadly the same explanations for his payments. On one specific instance, Revolut asked whether the payment was for investment purposes, but Mr S corrected it and confirmed it was for marketing services. Revolut asked Mr S to provide an invoice to prove he was buying goods and services, which Mr S was able to promptly supply. The invoice showed an itemised list of marketing and IT services.

When Revolut attempted to probe further, Mr S said the communication with the payee was of a sensitive nature and that he wasn't willing to disclose more. Revolut told Mr S that another customer had made payments to V and these had turned out to be a scam. So, Revolut placed an automatic temporary block on Mr S' account.

But once this was lifted, Mr S proceeded with making further payments.

Ultimately, all of the payments were processed by Revolut.

Having reviewed all of the steps Revolut took to protect Mr S and warn him about the risks posed by the transactions he was making, I believe some opportunities were missed to probe further. This is especially in light of the size and number of payments Mr S was making to V, and the intelligence Revolut had collected about V having been reported as a scam by other customers.

In the circumstances, I would have expected Revolut to, for example, ask Mr S to explain why he needed to make several payments, ask him to expand on why he was purchasing such services, and how he had come across the company in the first place. I don't think the payment to C was questioned enough either, considering it was a new payee.

However, I must take into account Mr S repeatedly took steps to disguise the genuine nature of the payments he was making. As I'll go on to explain, I don't believe more detailed interventions would have resulted in the scam being unveiled and Mr S' losses being prevented.

Would Revolut's intervention have made a difference?

The question for me to answer next is whether, on the balance of probabilities, Revolut would have been able to prevent Mr S' further losses, had it probed his payments beyond the extent that it did.

I've considered that point carefully and I'm not persuaded it would have been. Whilst I don't have the full transcripts of Mr S' chats with the scammer, what is available to me shows that the scammer coached Mr S on what to select from Revolut's questionnaire, during its intervention of 26 January 2024. Moreover, I'm also aware the scammer fabricated two invoices, which Mr S sent to Revolut to prove he was paying for marketing services overseas.

I can't say for certain whether the scammer would have controlled every interaction Mr S held with Revolut, but the above evidence persuades me that, more likely than not, the scammer would have been able to coach Mr S if Revolut had continued to ask more probing questions, or fabricate more evidence, if Revolut had requested more proof.

Revolut's records show Mr S consistently and knowingly provided misleading answers during every intervention.

Mr S has pointed to the FCA's Consumer Duty that came into force on 31 July 2023 and puts an obligation on firms to avoid foreseeable harm to customers. The Consumer Duty Finalised Guidance FG22/5 (Paragraph 5.23) gives an example of foreseeable harm: *"consumers becoming victims to scams relating to their financial products for example, due to a firm's inadequate systems to detect/prevent scams or inadequate processes to design, test, tailor and monitor the effectiveness of scam warning messages presented to customers"*. But here, I found that the loss was not caused by the inadequacy of Revolut's systems, but rather by the choice Mr S made not to disclose the correct purpose of his payments.

Independently of whether he was heavily coached through every payment, or if he came up with his responses to the questionnaire alone, it appears to me that Mr S was deeply under the spell of the scammer and unwilling to take heed of Revolut's warnings.

So, I believe that Mr S was intent on keeping the true reason of his payments hidden from Revolut and would have continued to disguise it for as long as he could.

Moreover, the overseas company Mr S was paying had an online presence suggesting it genuinely provided IT services, which would have added credibility to Mr S' assertion he was purchasing digital and marketing services.

Having reviewed the invoices the scammer fabricated for Mr S, I believe they appeared convincing at first sight. They were addressed to Mr S and itemised the IT services he would be paying for. The bank account details matched the international payee Mr S wanted to pay too. So, I'm persuaded that they would have further reinforced Mr S' cover story that he was paying a legitimate IT services provider. I can see how Mr S' responses to the questionnaire, coupled with V's online presence and the legitimate-looking fake invoice would have given Revolut sufficient reassurance to process the payments.

Neither V or C could be strongly associated with cryptocurrency investments or other investment scams at that time. So, I don't think Revolut would have been able to identify that Mr S was giving inaccurate responses, or that it would have had enough data at hand to outright refuse his payment instructions.

In any event, even if it had, I understand that Mr S continued to make payments to the scam from other newly opened accounts after these payments, which persuades me that, on a balance, Mr S would have found other ways to send the payments to the scammer and Revolut could not have prevented his losses.

Finally, Mr S has also argued that he was vulnerable to the scam, due to English not being his first language. While I note Mr S' comments, the evidence before me doesn't suggest Mr S was unable to understand what was happening, or how to follow instructions or dissuade Revolut from thinking he was falling victim to an investment scam. Moreover, I can't see that Revolut had been notified of any vulnerabilities or needs such that it should have known to take additional steps to protect Mr S as he was making the payments.

Overall, based on all of the above, I believe that, on the balance of probabilities, Revolut wouldn't have been able to prevent Mr S's losses, even if it had intervened earlier in the scam.

Recovery

All but one payment went to an overseas bank account. Mr S reported the scam to Revolut over a year after his last payment to the scam and Revolut has shown that it contacted the receiving account institutions within a day of being notified of the scam.

Scammers are sadly known for moving funds out of the receiving account within minutes – or hours at most, of the funds landing in the account. Considering the chances of recovering funds from the beneficiary (especially an international one) are incredibly slim, I believe that, no matter how prompt Revolut's efforts, Mr S' funds were unlikely to be recovered in the circumstances.

So, I don't think it would be fair and reasonable to conclude that Revolut should have done anything more to try and recover Mr S' funds on this occasion.

My final decision

For the reasons given above, I do not 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 3 February 2026.

Daria Ermini
Ombudsman