

The complaint

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

He's being represented in this complaint. To keep things simple, I'll refer to Mr W throughout this decision.

What happened

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

In summary, in July 2023, Mr W came across a cryptocurrency investment opportunity while searching online. He registered his interest and was contacted by someone (a scammer) claiming to be from a company (I'll call 'X') which would use an 'AI trading bot' to generate returns. He says he now realises those returns were unrealistic.

He started small at first but believing the opportunity was genuine he went on to 'invest' more heavily as instructed. The scammer led him to believe they'd be acting as his 'account manager' and guided him, through remote access, on how to set up a crypto wallet. To make the scam more convincing, he was able to make some withdrawals and was given access to a sophisticated platform where he could see 'deposits' and 'trades'.

The payments were sent from Mr W's account with his personal bank ('H') to his Revolut account. From there, the funds were sent internationally to various recipients and then lost to the scam. He realised he'd been scammed when he was asked to pay various 'fees' to access his funds and contact with the scammer stopped. By that time, about €61,700 had been sent from Revolut in a series of payments between July 2023 and January 2024.

A complaint was made to Revolut in September 2024 and then referred to our Service. Our Investigator didn't uphold it. Briefly, he didn't think Revolut could have likely prevented the scam given what happened when it did intervene and the evidence showing Mr W reverted to the scammer and was guided on how to respond when questioned.

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. These are the key reasons for my decision.

In broad terms, the starting position at law is that a firm (like 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 W authorised the payments 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 think there was enough about some of the payments for Revolut to have had concerns that Mr W might be at a heightened risk of financial harm from fraud – considering, for example, the increase in spending activity from October 2023. But, as referred to by the Investigator, Revolut did intervene on some payments. And, on the evidence, I'm not persuaded timely and proportionate interventions would have likely prevented Mr W's losses, such that I can reasonably hold HSBC responsible for them.

The first intervention was on 11 October 2023 on a payment of €22,900. Mr W was shown a 'new payee' warning. He was also asked a series of automated questions in the payment flow. He was warned at the outset *"Please answer truthfully. If you're being scammed, the fraudster may ask you to hide the real reason for this payment"*. Mr W selected *"I understand"*. But when asked to give a payment reason, Mr W selected *"Buy or rent goods or services"*, despite the option *"As part of an Investment"* (matching his situation) being available for him to choose from. He went on to answer he'd met the seller and had seen proof of ownership. In turn, he was provided with warnings relevant to 'purchase scams'.

There was a second intervention on 5 December 2023 on a payment of €5,770. Mr W was again taken through the questions in the automated payment flow. He again selected *"Buy or rent goods or services"* as the payment purpose. This time though he was also brought into 'live' chat and was warned the payment had been paused to protect him from a potential scam. But, when asked for the reason for his transaction, Mr W replied *"Deposit in property"*. And when probed, Mr W maintained *"Deposit is property renting. So renting services"*.

He then confirmed he wasn't being guided on how to answer. When asked for an invoice for the 'rental', he replied *"No none of your business"*. He went on to say the *"property is in Italy if that helps"*. When asked if he'd secured a contract for the property to rent, he replied *"I will if I can pay"*. I've seen, in the scam chat, Mr W was being guided by the scammer on how to respond at this time. There were further payment checks on 13 December 2023 and 26 January 2024. For the first Mr W again selected *"Buy or rent goods or services"*, as the payment reason. The cover story was also adapted to *"buying some parts for vehicle"*. For the second he selected *"Pay a family member or friend"* in the automated payment flow.

I note that, in appealing the Investigator's outcome, Mr W has suggested Revolut didn't go far enough with its interventions. He also says that if probing questions had been asked on 11 October 2023 (as part of a 'live' intervention, given the payment value), then the scam would have been unravelled. This is on the basis he either wouldn't have provided a cover story (because he hadn't been coached to mislead at the time), or he wouldn't have been able to give a convincing cover story (or supporting evidence) in any event.

But I'm not persuaded that's the more likely scenario. Although Revolut's first intervention should probably have gone beyond the automated warnings it provided, I can't overlook that Mr W still provided misleading answers to the questions in the payment flow at that time. The options selected were the same as those he gave in later interventions on the advice of the scammer. And while I note Mr W has said the scam chat for that period can't be provided (as communication before 13 October 2023 was on the phone and he was only added to the messaging *app* after reaching the next 'investment band'), I can see that messages were in fact exchanged from July to August 2023. And these then jump to January 2024.

The gaps in the scam chats are questionable. In any event, we know calls were held. On balance, I'm not persuaded Mr W wasn't being coached in October 2023. While I'm aware of

the value of timely interventions, I think it's significant the scam had been ongoing for some months by that point. And, again acknowledging Revolut should probably have done more, I'm still not persuaded things would have played out very differently to how they did when Mr W was guided by the scammer in the later 'live' intervention for his payment to go through.

I've also thought about Mr W's comments that further probing would have exposed the scam and I agree Revolut shouldn't just take any responses it receives at face value. At the same time, I've seen that when Revolut did probe, Mr W still wasn't prepared to reveal anything significant about what he was really involved in. This is despite warnings that being asked to hide the real reasons for payments was a red flag for scams. In my view, Mr W was heavily under the scam's spell. And given he was reverting and following the scammer's instructions on what to do and say, I'm not persuaded proportionate questioning would necessarily have led to this scam being exposed. I'm not convinced he couldn't have found (or been guided to find) a way around the truth or other ways to make the payments if necessary.

For completeness, I'll add that the last payment in dispute here, which Mr W says was made to the 'investment' scam, was on 26 January 2024. If that's right, then it's difficult to see that a proportionate warning would likely have stopped Mr W from making payments – given that, information provided here and in the other complaints Mr W has asked us to consider, shows he was already aware that X was likely a scam when he made that payment and had already instructed a 'recovery company' to help him access the money he couldn't withdraw.

In terms of recovery, I'm satisfied there was little Revolut could have done. For the initial card payment, it's unlikely a chargeback claim had any prospect of success, as the merchant likely provided the goods/services as intended. For the transfers, there was a significant gap between this scam and the matter being reported. And I've seen once that had happened, Revolut contacted the beneficiary banks and received confirmation that no funds remained.

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 W to accept or reject my decision before 30 October 2025.

Thomas Cardia
Ombudsman