

The complaint

Mr M is complaining that Revolut Ltd didn't do enough to prevent him from making payments to an investment opportunity which he now believes to be a scam.

The complaint is brought on his behalf by a professional representative, but for ease I'll mainly refer to Mr M here.

What happened

The circumstances of the complaint are known to both parties so I'll only set out the key points here.

Mr M says he was introduced to an investment opportunity (which I'll call "T") by a business associate who was making a passive income from it. Between June 2021 and November 2022, he made substantial payments to invest in T from his account with Revolut.

Mr M said that T was unravelled as a scam when T converted investors' balances into its own cryptocurrency coin, which then became worthless. He says he was unable to make further withdrawals and T stopped speaking to him.

In early 2024 Mr M complained to Revolut about what had happened, and asked it to reimburse him for the money he sent to T. But Revolut didn't agree that T was operating a scam, and it didn't think it needed to reimburse him.

Mr M brought his complaint to the Financial Ombudsman Service, but our Investigator didn't think T was a scam either. And he concluded that even if it had been, and Revolut had intervened by contacting Mr M to discuss the payments before releasing them, this wouldn't have prevented Mr M from making them.

Mr M didn't agree – he feels strongly that T was a scam and has provided detailed information to support his position. And he thinks that Revolut ought to have easily exposed T as a scam if it had identified a scam risk and intervened when Mr M made payments to it.

Mr M'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.

Having done so, I'm not upholding Mr M's complaint – for much the same reasons as the Investigator.

I've summarised this complaint briefly, and in less detail than has been provided. That's because I've concentrated on what I think are the significant complaint points here. If there's something I've not mentioned, it isn't because I've ignored it, but 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. This simply reflects the informal nature of the Financial Ombudsman Service as a free alternative to the courts.

In line with the Payment Services Regulations 2017, consumers are generally liable for payments they authorise. Revolut is expected to process authorised payment instructions without undue delay. But it also has long-standing obligations to help protect customers from financial harm from fraud and scams.

Those obligations are however predicated on there having been a fraud or scam. And so, it would only be reasonable for me to consider whether Revolut is responsible for the loss Mr M claims to have suffered if, indeed, the disputed payments had been lost to a scam.

Mr M has argued in some detail why he believes T was operating as a scam as opposed to offering a high-risk investment opportunity, as a result of which he's suffered a loss. But from what I've seen, I'm not persuaded that it was. I'll explain why.

When Mr M made the payments to T it was incorporated and regulated in an overseas jurisdiction. Regulatory requirements can vary between jurisdictions, but a scam is unlikely to submit itself to any kind of regulatory oversight. T's website explained that the investment it was offering was high risk, and that it may not be suitable for all investors.

It does seem that T may not have been regulated to offer services in the UK at the time of Mr M's payments and before he made the payments some overseas regulators had issued alerts about T offering services in their jurisdiction without being licensed to do so. The International Organization of Securities Commissions (IOSCO) did publish a warning about T in late 2023 and T's broker's licence was revoked in late 2024. But while this points to what appear to be legitimate concerns about T's conduct, this doesn't mean that T was *set up* to defraud customers.

However, I would add that even if I were to conclude that T was a scam, and Revolut ought to have intervened by contacting Mr M directly to discuss the payments, I'm not persuaded it could have prevented his loss. This is because Mr M could have reassured Revolut that he'd researched T (including personally visiting the headquarters of T's linked entity overseas) and apparently, he didn't have any concerns that it wasn't providing a genuine investment. He could also have told Revolut that he was introduced to T by someone he knew, who told him they were receiving an income from T and had shown him evidence of trades and profits.

Mr M's payments were made before a warning about T was published by IOSCO and as I've set out, T was regulated in an overseas jurisdiction at the time Mr M made the payments. Some negative reviews about delays in withdrawals from T began to appear in October 2022 (which was prior to Mr M's final three payments to T). But I can see that T addressed this on 29 October 2022 in the investor chat Mr M has provided in evidence. It said that the delays were caused by the high volumes of profits being generated, alongside volatility in the markets caused partly by international conflict. So, while this could have been discussed if Revolut had intervened in the final three payments, Mr M was presumably already aware that some concerns about T were being raised but still didn't appear to have any concerns himself about continuing to invest.

Overall, I'm not persuaded anything about Mr M's responses during any intervention by Revolut over the course of his payments to T would have indicated to Revolut or to Mr M that he was investing in a scam. I think that the likely result of any intervention conversation would have been for Mr M to have told Revolut to have gone ahead with the payments, and I don't think there were any reasonable grounds for it to have refused to do so.

Once Mr M reported what had happened to Revolut it attempted to recover the payments, but it was unsuccessful in doing so. Due to the destination of the payments and the significant time that had passed between them being made and reported, I don't think Revolut could reasonably have done anything more which would have led to funds being successfully recovered.

I'm really sorry to disappoint Mr M. But for the reasons I've explained I can't conclude that it would be fair or reasonable for me to direct Revolut to reimburse him for the payments he made to T.

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 14 October 2025.

Helen Sutcliffe
Ombudsman