

The complaint

Mr H complains Revolut Ltd won't reimburse money he lost when he fell victim to a crypto investment scam.

Mr H is professionally represented, however, to keep things simple, I'll refer to Mr H throughout my decision.

What happened

The background to this complaint is well known to all parties and so I'll only refer to some key events here.

In November 2023, Mr H came across an investment firm – which I will refer to as 'M' - on the internet and enquired about their services. He discussed investment opportunities with M that would provide a "huge return". Under the belief M was a legitimate firm, Mr H set up a trading account with them and he was also advised to open an account with Revolut, again under the guidance of M. The scam payments were funded by an account Mr H held at another banking provider. Mr H has also raised a complaint against the other banking provider which I will address separately.

Mr H made the following payments under the guidance of M from his Revolut account via various different business accounts:

Payment	Date	Payee	Amount
1	22 November 2023	DS	5,727.90 EUR
2	29 November 2023	DS	11,489.22 EUR
3	30 November 2023	DS	22,988 EUR
4	10 January 2024	VG	57,750 EUR
5	2 February 2024	BBE	4,999 EUR
6	2 February 2024	BBE	52,650 EUR
7	7 March 2023	EF	£22,620
Total EUR			155,604.12
Total GBP			£22,620

Mr H attempted to make further payments, which resulted in his Revolut account being blocked and eventually closed. Mr H then contacted M and explained what had happened

with his Revolut account, however, M tried to pressurise Mr H to continue making payments. At this point, Mr H spoke to his son about his investment with M – which led to him realising he had been scammed. Mr H complained to Revolut, who didn't uphold his complaint, so the matter was referred to our service.

Our Investigator didn't uphold Mr H's complaint. He said Revolut provided multiple good interventions, which were proportionate to the risks associated with the payments he was making. However, as Mr H selected the incorrect payment purpose on all of the payments he made and supplied incorrect information about them in order to circumvent the checks Revolut carried out, he wasn't persuaded any further intervention or questioning would have made a difference.

Mr H didn't agree. In summary, he said:

- He had been targeted specifically by M due to his age and health issues. So, if Revolut had intervened in an effective way and spoken to him, they would have noted his vulnerabilities and it could have taken extra steps to ensure that he was not being scammed or taken advantage of as they were the experts in this situation.
- Revolut's interventions were insufficient as it missed clear red flags even though they believed he was being scammed. Revolut also failed to ask specific questions about the nature of the payments being attempted which would have uncovered the scam.
- The payments were also made after Consumer Duty regulations had been introduced, which makes it clear that banks need to avoid foreseeable harm to their customers, requiring banks to be proactive when delivering good customer outcomes.
- Revolut's failure to effectively intervene was a failure to prevent foreseeable harm to him. As a result, Revolut should refund his loss.

The matter has therefore 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.

I'm sorry Mr H has been the victim of a scam, and I don't underestimate the impact this has had on him. But while I'm sympathetic to his circumstances, I must consider whether Revolut is responsible for the loss he has suffered. I know this won't be the outcome Mr H is hoping for, but for similar reasons as our Investigator, I don't think they are. And so, I don't think Revolut has acted unfairly by not refunding the payments. I'll explain why.

In broad terms, the starting position in law is that an electronic money institution (EMI) is expected to process payments that their customer authorises them to make. It isn't disputed that Mr H knowingly made the payments from his account and so, I'm satisfied he authorised them. Therefore, under the Payment Services Regulations 2017 and the terms of his account, Revolut are expected to process Mr H's payments, and he is presumed liable for the loss in the first instance.

However, taking into account the regulatory rules and guidance, relevant codes of practice and good industry practice, there are circumstances where it might be appropriate for Revolut to take additional steps or make additional checks before processing a payment to help protect customers from the possibility of financial harm from fraud.

So, the starting point here is whether the instructions given by Mr H to Revolut (either individually or collectively) were unusual enough to have expected additional checks to be carried out before the payments were processed.

When considering this, I've kept in mind that EMI's process high volumes of transactions each day. And that there is a balance for Revolut to find between allowing customers to be able to use their account and questioning transactions to confirm they're legitimate – as it wouldn't be practical for EMI's to carry out additional checks before processing every payment.

Here, before processing the first payment, Revolut provided Mr H with the following warning as it was being made to a new beneficiary:

“Do you know and trust the 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.”

The above warning was provided to Mr H every time he made a payment to a new beneficiary. So, for Payment 1, 4, 5 and 7.

Revolut also undertook a fraud risk assessment that included the following warning:

“Something doesn't look right

Your transfer has been identified by our system as a potential scam. To continue, we need your help to understand what's happening.

Mr H was then asked a series of questions, including; if anyone was pressuring him to make the transfer, if he was being told what to say, or that he needs to ack quickly, which may be a scam. Mr H had three options, declare that someone is assisting him, confirm that no-one is assisting him, or cancel the transfer. Mr H selected *“No, I am completing this transaction by myself”*.

Mr H was then shown the following warning by Revolut:

“If someone is telling you to ignore these warnings, they're a scammer – only continue if you're sure nobody is pressuring you to make this payment.”

Mr H confirmed he wanted to continue with the payment.

He was then asked to select a payment purpose. Mr H selected: *“Buy or rent goods or services”*. Which resulted in Revolut asking him further questions about the payment purpose he selected. The payment was then reviewed by Revolut and he was provided with more information about how to recognise scams in relation to the payment purpose selected.

Mr H was asked to select a payment purpose for 6 out of the 7 transactions he made. He selected *“buy or rent goods or services”* on each occasion and then went onto say the transfer was either for *“Buying goods from an online retailer”* or *“A property (i.e paying the deposit or balance)”*

On 10 January 2024, when Mr H attempted Payment 4, he was again asked a series of questions, however, based on the answers he gave, Revolut paused the transaction and he was referred to their in-app chat function to carry out further checks. As part of this, the

following was asked by Revolut (Mr H's responses in italics):

- Could you please give us some additional details about why you are making this transaction?

"I paying for marketing services for my business"

- Thank you for the details. Scammers may impersonate Revolut, another bank or the police and pressure you to make a payment urgently, telling you to ignore our alerts. Never ignore these alerts, even if someone tells you to. Please stop and let us know if you are concerned for your account safety.
- It seems like this isn't a case where someone is instructing you what to do, which can be a red flag for scams. Could you confirm that you aren't being guided to make this transaction in any way?

"I confirm that I am doing this by myself".

- You've mentioned you're making a purchase. Fraud is common when buying from private sellers via an online marketplace. To protect yourself when buying from a private seller, never transfer money before you receive the goods in person and use card payment options for added security. Our fraud detection systems had concerns about this transaction. If you proceed without first receiving the goods from the private seller then you may lose your money. Do you want to proceed?

"Yes, thank you for your concern, I wish to proceed with this transaction."

Mr H was again referred to the in-app chat on 2 February 2024, when he attempted Payment 5. As part of this, he was asked the following questions by Revolut (Mr H's responses in italics):

- Could you please give us some additional details about why you are making this transaction?

"I'm doing home improvements with a company I've used in the past"

- Thank you for explaining why you're making this transaction. Scammers may impersonate Revolut, another bank or the police and pressure you to make a payment urgently, telling you to ignore our alerts. Never ignore these alerts, even if someone tells you to. Please stop and let us know if you are concerned for your account safety.
- It seems like this isn't a case where someone is instructing you what to do, which can be a red flag for scams. Could you confirm that you aren't being guided to make this transaction in any way?

"This is correct".

- Got it. This is noted. I can see that you're trying to rent or buy a property. Unfortunately, it's common for fraudsters to ask people to pay in advance to secure a property, then disappear. It later turns out that the fraudsters didn't own the property, or it never existed. The best way to protect yourself is to make sure you always view properties in person, and to only work with reputable estate agencies. Our fraud detection systems show that this is a high-risk transaction. That means that if you make this transfer, the most likely outcome is that you will lose your money and we

won't be able to get it back. Would you like to cancel?

"I understand your reasons but this is not the situation. But I am grateful for your thoroughness.

No, please proceed with my requested transfer".

Revolut again restricted Mr H's account on 5 February 2024, and sent him the following message via the in-app chat:

"Your account is currently limited because we believe it is highly likely that the transactions you are attempting to make are part of a SCAM. We've recently spoken with another customer who attempted very similar transactions to yours - they confirmed it was a scam. Please assist me with this review, we want to keep your funds safe and secure. It is crucial that you provide us with truthful information to help us better understand the situation and take the necessary measures to protect your account".

Mr H was asked a series of account security questions, including if someone was telling him what to say on the chat? Which he denied.

Revolut then asked Mr H why he opened his account with them, to which he responded with the following:

"I seen you advertised and as I own a property in Spain. I thought my opening an account would help me when paying bills, making the process simpler. You were also recommended by my friends. I'm still getting used to your app".

Revolut then asked Mr H, if he had been told to install remote access software like AnyDesk? He replied *"No, not at all".*

Mr H also told Revolut the following: *"I have a rental property in Cyprus which has a long-term tenant" My holiday home in Spain is currently serviced by Santander"*

When Revolut questioned Mr H about Payment 5 and 6, he said he was using this company for renovations and alterations to his house in Spain and that he was paying them for their work and managing the project. Mr H also provided invoices for the work he said was being carried out upon request from Revolut.

On 7 February 2024, Revolut asked Mr H to write the following in the in-app chat to confirm the payments were genuine, which he did:

"Revolut has warned me in app chat that this is likely a scam. I confirm that I am not being assisted with my transaction and understand that Revolut is unlikely to recover my funds if I proceed."

When Mr H attempted Payment 7, he was again referred to the in-app chat by Revolut as it was not satisfied with the information Mr H had provided regarding the transaction.

Mr H said: *"As I've said previously, I am renovating my house, the transfers are for that purpose. I confirm that I am not being guided and I am doing this by myself."*

Mr H again provided invoices for the work he was getting done and mentioned most of the communication with the company was by telephone. Mr H went on to say they are currently working on my house, please proceed with my transaction. He also mentioned to Revolut that he had known the company for 4 years and it was recommended by a friend and he was

happy with him, so please continue with the transaction.

On 8 March 2024, Revolut suspended Mr H's account due to his account activity and on the same day made the decision to permanently close it.

While Mr H has said he fell victim to a crypto investment scam, the payments went to companies and not to well-known crypto providers. Because of this, Revolut wouldn't have been able to identify the payments were being made for crypto purposes based on the payees alone. And despite '*as part of an investment*' being available as a payment option to select, Mr H didn't choose it for any of the payments as part of Revolut's questionnaire process. Instead, he gave inaccurate information to Revolut which prevented them from identifying the true circumstances behind the payments. Consequently, it also meant that they provided tailored written warnings that weren't – mostly – relevant to Mr H's situation (as, for example, they focussed on purchase or safe account scams).

In any event, despite Mr H given inaccurate information to Revolut, they still directed him to their in-app chat to discuss some of the payments further, which resulted in him providing further inaccurate information about the nature of the payments he was making. This also included providing false invoices for the work he said that was being carried out in his properties abroad, and not disclosing he was told to open the Revolut account by M when asked.

I note Mr H's concern that Revolut asked very few probing questions, but I disagree. I think Revolut's questioning was appropriate in the circumstances, with the use of both open and closed questions to establish whether Mr H was at risk of financial harm from fraud. Revolut also questioned Mr H further based on the answers he provided. Because of this, I think the additional checks Revolut carried out were proportionate to the identifiable risk presented by the payments – and the responses Mr H gave – at the time.

I've also noted Mr H's concerns around the limitations of Revolut's in-app chat function. And that he considers it would've been more appropriate for a telephone call – as it would've allowed Revolut to ask more tailored and specific questions. While I accept the benefits of a telephone conversation as part of payment service provider's (PSP) fraud detection/prevention systems, I cannot reasonably conclude that the absence of a telephone conversation was the cause of loss here. And, with Revolut being a PSP that provides an alternative service to traditional high-street banks, they've chosen to primarily communicate through their in-app chat function. Nor do I think this method of communication prevents Revolut from undertaking effective fraud/scam checks before processing a payment. I'd also note that, based on their conversations with Mr H, I don't think the responses he gave would've given Revolut enough reason to consider a telephone call was necessary – as he was engaging positively with Revolut's questioning and provided clear responses. So, in Mr H's case, I think it was reasonable for Revolut to have contacted him via their in-app chat function to carry out additional checks before processing some of the payments.

Ultimately, while I've considered everything Mr H has said, I think he simply wasn't willing to disclose the true purpose of the payments or their surrounding circumstances. I appreciate Mr H may have been under the spell of M and being guided on what to say. But I can't hold Revolut responsible for that. And I think Revolut took reasonable steps to try to protect Mr H from fraud in the circumstances. Unfortunately, based on the information Mr H provided, Revolut were prevented from doing that and they would've been reassured he was making the payments for legitimate purposes. I'm also not persuaded that, as Mr H has suggested, that any further probing would've uncovered the scam – as I think, even if Revolut had held Mr H's answers up to further scrutiny, he would've continued to respond in a similar manner.

I understand that Mr H has mentioned being vulnerable to the scam, due to his age, and

referring to other health issues he had at the time of the scam payments, which made him more vulnerable to falling victim to the scam. Both of which he considered should've been factors that Revolut ought to have taken into consideration when undertaking their fraud prevention checks. Having thought about this, I don't think Mr H's age or health at the time was enough of an indicator to suggest he was falling victim to a scam. And there wasn't anything to indicate from his interaction with Revolut that he was making the payments under pressure from a third-party (with Mr H confirming as such). I do however appreciate that Mr H could, potentially, have been more vulnerable to a scam due to his age. But while Revolut should be on the lookout for customer vulnerabilities, so they can provide effective protection against scams, I remain of the view that their additional checks were proportionate to the risks associated with Mr H's payments. And so, I don't think Revolut could reasonably have done anything further in these circumstances.

I've also noted the comments of Mr H about the Financial Conduct Authority's Consumer Duty and I've taken account of Revolut's obligations following its introduction, but I'm not persuaded this changes the outcome here. While Revolut was expected to avoid causing him foreseeable harm, I'm not persuaded its actions (or failure to act) were the cause of the harm he has said he suffered, nor do I think that harm was reasonably foreseeable given the information that was available to Revolut at the time he made the payments.

On a final note, I've considered whether, on being alerted to the scam, Revolut could reasonably have done anything more to recover Mr H's losses, but I don't think they could. Revolut did attempt recovery and contacted the beneficiary banks; however, they all confirmed no funds remained.

I have a great deal of sympathy for Mr H and the loss he's suffered. I appreciate he is the innocent victim of a scam, and he has lost a significant sum of money. But it would only be fair for me to direct Revolut to refund his loss if I thought they were responsible – and I'm not persuaded that this was the case. For the above reasons, I think Revolut have acted fairly and so I'm not going to tell them to do anything further.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 28 October 2025.

Israr Ahmed
Ombudsman