

## The complaint

This complaint is being brought by Ms B, the representative of the late Mr B's estate. She's being represented by solicitors and is complaining about Revolut Ltd because it declined to refund money Mr B lost as a result of fraud.

## What happened

The complaint states that Mr B fell victim to an investment scam before he died. Ms B's representative says he responded to an advert for an investment scheme that was endorsed by well-known celebrities and promoted returns from cryptocurrency starting with a small initial investment. At this point he was in his eighties and terminally ill and it's said he was interested in ways to make money he could leave behind for his family. He was then contacted by a scammer who offered to trade on his behalf and told him to download screen-sharing software so they could help him set up accounts with Revolut and a cryptocurrency exchange that were used to fund the scam.

Mr B made the following card payments from his newly-established Revolut account in January 2022 that it's said were lost to the scam:

No.	Date	Amount £
1	5 January	5,000
2	12 January	4,065
3	14 January	4,100
4	22 January	6,000

The payments all went to a known cryptocurrency exchange. Ms B's representative says Mr B realised this was a scam after she found out what was going on when she visited him in hospital.

## My provisional decision

After the complaint was referred to me, I issued my provisional decision setting out why I thought it should be partly upheld. My reasons were as follows:

*Was this money lost to a scam?*

*In defending this complaint, Revolut has argued there's a lack of compelling evidence the above payments were lost to a scam. For example, it says no record of Mr B's exchange with the scammer has been provided or screenshots from the investment platform it's said he was signed up to.*

*The lack of this information is clearly unhelpful in determining exactly what happened. But other evidence has been provided and this, along with the circumstances of the payments, leads me to the conclusion that they were most likely lost to a scam as has been described. I say this for the following reasons:*

- *Revolut's transaction history shows the payments went to a cryptocurrency*

*exchange. This is a well-known and common way that victims are asked to fund scam investments.*

- Ms B has provided literature that relates to the investment scheme along with an agreement dated 21 December 2021 (only two weeks before payment 1) that appears to have been signed by Mr B and states the scheme will trade on his behalf. On balance, I'm satisfied this shows the payments in January were likely passed onto the investment scheme after they were converted to cryptocurrency.*
- She's also provided an email dated 30 May 2022 that appears to be from someone associated with the scam and refers to Mr B having invested in the scheme named in this agreement.*
- An article on the website of the Belgian regulator, The Financial Services and Markets Authority, warns about fraudulent online trading platforms and specifically names the scheme in the agreement. I think this shows the scheme was a scam.*

*While we don't have any more evidence of Mr B's communications with the scammer and we sadly can't ask him for more detailed recollections about what took place, the above evidence and considerations lead me to find that Mr B most likely did become involved in a scam investment scheme and that the payments to cryptocurrency in January 2022 were lost to that scheme.*

*What were Revolut's responsibilities?*

*In this case, there's no dispute that Mr B authorised the above payments. 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 in January 2022 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;*
- 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) and the different risks these can present to consumers, when deciding whether to intervene.*

*Taking these points into account, I need to decide whether Revolut acted fairly and reasonably in its dealings with Mr B.*

*Should Revolut have recognised that Mr B was at risk of financial harm from fraud?*

*One of the key features of a Revolut account is that it facilitates payments that sometimes involve large amounts and the purchase of cryptocurrency and I must take into account that many similar payment instructions it receives will be entirely legitimate. I'm also conscious this was a new account and there was no history of past activity against which these payments might have looked suspicious.*

*Having considered what Revolut knew about the payments 1 and 2, including what was known about how many scams operated at the time, the amounts involved, and the period of time between the payments, I'm not persuaded it ought to have been concerned about them. So, I can't say it was at fault for processing the payments in line with Mr B's instructions.*

*But by the time of payment 3, this was Mr B's second payment (totalling over £8,000) to cryptocurrency in three days and the third payment (totalling over £13,000) in just over a week. The amount involved was also significant in itself and I think a combination of these factors should have prompted Revolut to suspect he may have been at risk of harm from fraud.*

*What did Revolut do to warn Mr B?*

*Revolut has told us that it didn't attempt to intervene in payment 3, or any of the other payments, as it didn't think this was warranted.*

*What kind of warning should Revolut have provided?*

*Having thought carefully about the risk payment 3 presented, I think the minimum that would have constituted a proportionate response to that risk would have been for Revolut to ask Mr B to confirm the reason for the payment and to show appropriate scam warnings that were relevant tailored to his answer.*

*If Revolut had intervened as I've described, would that have prevented the losses Mr B suffered from payment 3?*

*I've seen no evidence to indicate Mr B was coached by the scammer to hide the real reason for the payment and no other grounds for thinking he wouldn't have been open about the reason for the payment if asked.*

*If Mr B had correctly disclosed the payment was part of an investment, I think Revolut should have been able to identify the most likely scam taking place was a cryptocurrency investment scam. It should then have provided a tailored warning setting out common features of this type of scam, for example that scammers use the media to promote fake investments (sometimes with fake celebrity endorsements) promising extremely high returns, tell victims to download screen-sharing software, set them up with accounts on professional-looking investment platforms, require them to fund investments with cryptocurrency, and continually ask them to invest more money.*

*If Mr B had seen this type of warning, I think it's likely he'd have recognised many common features of investment scams in his own situation and this would have resonated with him. On balance, I think it's likely such a warning would have opened his eyes to the scam and he would have opted not to go ahead with payment 3. I think it follows that if the scam had been uncovered at the point of payment 3, payment 4 would also have been prevented.*

*What about the actions of Mr B's bank?*

*This was a multi-stage fraud that saw Mr B move money from his bank to Revolut and then eventually to the scammer. This complaint is about Revolut and it's not appropriate for me to comment here on whether or not the bank should have identified he was at risk of harm from fraud and whether it reacted proportionately. But to obtain a full picture of what took place, we have contacted Mr B's bank to establish if it attempted any kind of intervention before transferring his money to Revolut and, if so, how this affects my assessment of whether or not he acted reasonably in the circumstances.*

*Having done so, there's no evidence of any intervention by Mr B's bank and it says it hasn't received a complaint or refunded any money in connection with these payments.*

*On balance, I don't think there was any intervention by Mr B's bank that should particularly have alerted him to the fact he was speaking to a scammer or that changes my views about how Revolut should have dealt with this situation and whether he acted reasonably in the circumstances with which he was faced.*

*Is it fair and reasonable for Revolut to be held responsible for some of Mr B's loss?*

*In reaching my decision about what's fair and reasonable, I have taken into account that Mr B almost certainly paid money using his Revolut account to another account in his own name, rather than directly to the scammer, meaning he would have remained in control of the money after he made the payments, and there were further steps before the money was lost to the scammer.*

*However, for the reasons I've set out above, I'm satisfied it would be fair to hold Revolut responsible for the loss from payment 3. As I've explained, the potential for multi-stage scams ought to have been well known to Revolut. And as a matter of good practice, I consider it fair and reasonable that it should have been on the lookout for payments presenting an additional scam risk including those involving multi-stage scams.*

*I have also taken into account that other businesses were involved in the overall process that ended up with payments being made to the scammer, and that Ms B might potentially have a claim against them in respect of their actions (although those businesses are not a party to this complaint and so I make no finding about their role here).*

*Whilst the dispute resolution rules (DISP) give me the power (but do not compel me) to require a financial business to pay a proportion of an award in circumstances where a consumer has made complaints against more than one financial business about connected circumstances, Ms B has not referred a complaint about any other business to me and DISP does not empower me to instruct her to make or refer a complaint to me about another business.*

*Should Mr B's estate bear any responsibility for the losses?*

*In considering this point, I've thought about what's fair and reasonable in the circumstances of this complaint.*

*I've considered the evidence carefully and, while I accept Mr B believed these payments were being made in connection with a legitimate investment opportunity,*

*I'm not persuaded that belief was a reasonable one. In particular, I note the scheme literature provided refers to extremely high returns. Even for the lowest level of investment, returns of up to and exceeding 200% were advertised in as little as 60 days. I think Mr B should reasonably have questioned whether this too good to be true and should have proceeded only with great caution. If he'd carried out any further research, for example online searches, I think he'd have quickly discovered his circumstances were similar to those commonly associated with investment fraud. Overall, I think it's fair and reasonable for Revolut to make a 50% deduction from the redress payable.*

#### **Recovery of funds**

*I've also looked at whether Revolut could or should have done more to try and recover Mr B's losses once it was told the payments were the result of fraud.*

*I understand Ms B's representative didn't notify Revolut of the fraud until several months after the last payment. It's a common feature of this type of scam that the fraudster will move money very quickly to other accounts once received to frustrate any attempted recovery and I don't think anything that Revolut could have done differently would likely to have led to those payments being recovered successfully after this period of time.*

*As the payments were card payments, I've considered whether Revolut should have tried to recover the money through the chargeback scheme. But we'd only have expected it to have raised a chargeback claim if it was likely to be successful and it doesn't appear that would have been the case here as the normal timescale for making a claim had expired by the time the fraud was reported.*

#### **In conclusion**

*For the reasons I've explained, I don't think Revolut acted fairly and reasonably in its dealings with Mr B and I'm proposing to uphold this complaint in part. While I don't think it acted incorrectly in processing payments 1 and 2 in line with Mr B's instructions, if it had carried out an appropriate intervention before payment 3 debited his account, I'm satisfied payments 3 and 4 would have been prevented.*

### **The responses to my provisional decision**

Revolut said it had nothing further to add to my provisional decision. Ms B's representative made the following key points:

- Mr B didn't open the Revolut account. The scammers did this and used the wrong date of birth. This means Mr B couldn't have authorised the payments himself as he couldn't access the account.
- It questions how the scammer could have opened the account with the wrong date of birth and wants to know what documentation was provided to confirm his identity.

In any event, Mr B was too unwell to have made the payments himself.

### **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, my findings haven't changed from those I set out previously. I haven't necessarily commented on every single point raised. I've concentrated instead on the issues I believe are central to the outcome of the complaint. This is consistent with our established role as an informal alternative to the courts. In considering this complaint I've had regard to the relevant law and regulations; any regulator's rules, guidance and standards, codes of practice, and what I consider was good industry practice at the time.

The date of birth recorded on the Revolut account is one day out from Mr B's actual date of birth as evidenced by the death certificate provided. I have asked Revolut about the documentation it received when the account was opened and unfortunately it says it hasn't been able to access this. That means I can't say with any certainty whether the scammers somehow applied for the account giving the wrong date or Revolut made an administrative error in setting it up. But either way, I don't think this point is crucial to the outcome of this complaint as Revolut has confirmed Mr B's date of birth wouldn't have been required to access the account and make the above payments.

I've noted the comments about Mr B's health, but no medical evidence has been provided to demonstrate he wasn't capable of making online payments and I don't think the evidence that is available supports that view. In particular, I note the account history shows an ATM withdrawal in Mr B's home town on 31 December 2021, only shortly before the payments to the scam. If he was able to make this withdrawal, I think it's likely he'd also have been able to key the relevant information into the Revolut app to make payments.

Overall, I'm satisfied the available evidence shows Mr B's intent to pursue the fake investment opportunity he was being offered and, on balance, I think it's more likely than not that he did authorise the payments, albeit he didn't realise they were part of a scam.

With these points in mind, it remains my view that the outcome proposed in my decision is a fair and reasonable settlement to this complaint.

### **Putting things right**

The principal aim of any award I make must be to restore the financial position that would have existed but for the errors or inappropriate actions of Revolut, while allowing for Mr B's contribution to the loss. If Revolut had carried out an appropriate intervention as I've described, I'm satisfied the scam would have been stopped and Mr B would have retained the money that was lost from payments 3 and 4. As outlined above, I've applied a 50% deduction to the amounts to be refunded in recognition of Mr B's own contribution towards the loss.

To put things right, Revolut should pay Mr B's estate compensation of A + B, where:

- A = a refund of 50% of each of payments 3 and 4 outlined above; and
- B = simple interest on each amount being refunded in A at 8% per year from the date of the corresponding payment to the date compensation is paid.

Interest is intended to compensate for the period this money wasn't available for use. HM Revenue & Customs (HMRC) requires Revolut to deduct tax from any interest. It must provide a certificate showing how much tax has been deducted if asked to do so.

### **My final decision**

My final decision is that I partly uphold this complaint. Subject to Ms B's acceptance, Revolut Ltd should now put things right as I've set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask the estate of Mr B to accept or reject my decision before 12 August 2025.

James Biles  
**Ombudsman**