DRN-5696333

The complaint

Mrs H, via a representative, has complained that Revolut Ltd ("Revolut") failed to refund the money she lost as part of an investment scam.

What happened

The details of this complaint are well known to both parties, so I will not repeat everything again here. Instead, I will focus on giving the reasons for my decision.

In summary though, Mrs H was contacted by someone pretending to be a recruiter for a company that I will call B. They said that Mrs H could earn money completing online tasks, but she would occasionally have to pay money upfront to unlock these tasks and receive her earnings. To do this she would have to send crypto to B.

Mrs H then made around 15 payments to B. These were made by card payments and transfers. These payments seem to have been paid to a number of crypto exchanges. The payments made from Mrs H's Revolut account totalled over £23,000 and took place in October 2023.

Mrs H realised she had been scammed when she was unable to withdraw her profits without paying additional fees. Mrs H asked Revolut to refund these payments, as she believes Revolut should have done more to prevent her from being scammed in the first place. Revolut did not agree with this.

One of our investigators looked into this matter and he thought that any intervention from Revolut would not have stopped the scam. He said this because he believed that Mrs H was being coached by the scammer on what to say if questioned about the payments that she was making. He therefore did not uphold this complaint.

Mrs H did not agree with this and therefore her complaint has been passed to me to issue 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 agree with the conclusions reached by the investigator for the following reasons.

In deciding what's fair and reasonable, I am required to take into account relevant law and regulations, regulators' rules, guidance and standards, and codes of practice; and, where appropriate, I must also take into account what I consider to have been good industry practice at the time.

Where the evidence is incomplete, inconclusive or contradictory (as some of it is here), I reach my decision on the balance of probabilities – in other words, on what I consider is more likely to have (or would have) happened, in light of the available evidence and the wider circumstances.

In broad terms, the starting position is that Revolut is expected to process payments and withdrawals that a customer authorises it to make. This should be in accordance with the Payment Services Regulations (in this case the 2017 regulations) and the terms and conditions of the customer's account.

However, taking into account relevant law, regulatory 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 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;

• 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;

• in some circumstances, irrespective of the payment channel used, have taken additional steps, or made additional checks, or provided additional warnings, before processing a payment – (as in practice Revolut sometimes does); and

• 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, including the use of payments to cryptocurrency accounts as a step to defraud consumers) and the different risks these can present to consumers, when deciding whether to intervene.

Revolut did intervene and asked questions about the transactions that Mrs H was making. From what I can see about these interventions, I don't think that the questions asked about the payments were sufficient in the circumstances and further questions should have been asked. That said, I don't think that this would have stopped the scam. I say this for the following reasons.

Mrs H seems to have been aware that, if she gave accurate answers as to what she was doing, her payments might be stopped. This is demonstrated by her asking the scammer on what to say about the transactions. It is also clear that Mrs H was under the spell of the scammer, as it appears she did give misleading answers to Revolut and her other account provider.

We have a copy of a call with her other account provider and I note that Mrs H was questioned about both the payments she was sending to Revolut and also credits received. She did not at any point mention that these were related to an online job that she had just started and she heavily suggested that the transactions were for a crypto investment. Mrs H has confirmed that she was told by the scammer not to mention the online job. I also note that during a transfer that Mrs H made, she selected friends and family as the payment reason. This suggests to me that Mrs H would not have mentioned the online job if asked.

Given that Revolut was only required to take proportionate steps to try and protect Mrs H from financial harm. I'm not persuaded she would've shared anything concerning with Revolut had it questioned her more about what she was doing. So overall I think that Revolut should have intervened more than it did. But I do not think that this would have likely stopped or uncovered the scam or allowed Revolut to provide a relevant warning that would have resonated with her.

Taking everything into consideration, I think that Revolut should have intervened more than it did. But even if it had intervened further, I don't think the scam would have been stopped.

I've also thought about whether Revolut could have done more to recover the funds after Mrs H reported the fraud.

Revolut are under no obligation to refund the money under the Contingent Reimbursement Model (CRM) Code. This is because Revolut are not signatories of the code. I also don't think that the funds could have been recovered by a chargeback, as the money was used to purchase crypto - which she duly received. It was only when she transferred the crypto to the scammers did the loss occur.

I appreciate this will likely come as a disappointment to Mrs H, and I'm sorry to hear she has been the victim of a scam. However, whilst I have a great deal of sympathy for the situation that Mrs H found herself in, I'm not persuaded that Revolut can fairly or reasonably be held liable for her loss in these circumstances.

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 Mrs H to accept or reject my decision before 12 September 2025.

Charlie Newton
Ombudsman