DRN-5700447

The complaint

Mr N is being represented by a family member. He's complaining about Revolut Ltd because it declined to refund money he lost as a result of fraud. To make things simpler, I'll refer to submissions from his representative as if they came from Mr N himself.

What happened

Sadly, in 2022, Mr N says he fell victim to a cruel investment scam after somebody he met on an online dating app introduced him to an investment scam. He already held an account with Revolut that he used to make a series of five payments he says were lost to the scam:

Our investigator didn't recommend the complaint be upheld. They didn't feel there was sufficient evidence this money was lost to a scam. But even if that was accepted, she didn't feel Revolut had acted incorrectly in processing the payments as instructed.

Mr N didn't accept the investigator's assessment. He says the situation he's described has all the hallmarks of a scam and that requiring proof of every aspect of it places an unreasonable burden on the consumer. He maintains that Revolut should have provided stronger warnings before the payments were processed and has raised wider concerns about the lack of protection afforded to customers in a system that he believes often fails people who can't speak up for themselves and about how Revolut markets itself in relation to cryptocurrency.

The complaint has now been referred to me for review.

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 reached the same overall conclusions as the investigator, and for broadly the same reasons. I haven't necessarily commented on every single point raised but 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.

I think it's also relevant to explain that the Financial Ombudsman Service is not the industry regulator and we don't write the rules for financial businesses or have powers to fine or punish businesses where these aren't followed. This is the role of the Financial Conduct Authority (FCA). Our role is instead to consider individual disputes and reach what we believe is a fair and reasonable conclusion in the particular circumstances of each case. This means it's not appropriate for me to comment on the wider issues raised by Mr N and my consideration is necessarily limited to the specifics of his complaint against Revolut.

Was this money lost to a scam?

I appreciate there was a significant gap between these payments and the fraud being reported to Revolut and that such a gap can make it harder for the victim to produce appropriate evidence. But I'm not looking for evidence of every aspect as has been suggested, but rather sufficient evidence to show it's more likely than not that the money was lost to a scam.

In this case, it's clear that Mr N purchased cryptocurrency. But we have no firm evidence of where the money went after that. We also have no evidence of his contact with the scammer and there's nothing online about the scam company he says he dealt with. The absence of any of this evidence does make it much harder to conclude a scam took place.

Notwithstanding the lack of evidence, I'm not disputing Mr N's account of what happened and I have gone on to consider whether Revolut acted fairly and reasonably in its dealings with him.

Revolut's responsibilities

There's no dispute that Mr N authorised these payments. In broad terms, the starting position at law is that an Electronic Money Institution (EMI) such as Revolut is expected to process payments a customer authorises it to make, in accordance with the Payment Services Regulations and the terms and conditions of their account. In this context, *'authorised'* essentially means the customer gave the business an instruction to make a payment from their account. In other words, they knew that money was leaving their account, irrespective of where that money actually went.

There are, however, some situations where we believe a business, taking into account relevant rules, codes and best practice standards, shouldn't have taken its customer's authorisation instruction at 'face value' – or should have looked at the wider circumstances surrounding the transaction before making the payment.

Revolut also has a duty to exercise reasonable skill and care, pay due regard to the interests of its customers and to follow good industry practice to keep customers' accounts safe. This includes identifying vulnerable consumers who may be particularly susceptible to scams and looking out for payments which might indicate the consumer is at risk of financial harm.

The payments

One of the key features of a Revolut account is that it facilitates payments that sometimes involve large amounts and/or the purchase of cryptocurrency. I must take into account that many similar payment instructions it receives will be entirely legitimate. I'm also conscious this was a recently-opened account and there was only a limited transaction history against which Revolut could judge whether these payments were unusual for Mr N. Finally, I need to consider its responsibility to make payments promptly.

Having considered what Revolut knew about the payments at the time, I'm not persuaded it ought to have been particularly concerned about them. The first went to an individual payee and wouldn't have aroused any particular suspicion. The rest went to purchase cryptocurrency and it's now well-known that such payments carry a greater risk of being associated with fraud. At that time, however, the links between cryptocurrency and investment scams was less prominent. Against that backdrop, and in view of the amounts being paid, I don't think there were sufficient grounds for Revolut to suspect Mr N was at risk of harm from fraud when he made the payments and I can't reasonably say it was at fault for processing them in line with his instructions.

I have noted Mr N's comments about his vulnerability at this time, but I've seen nothing to show that Revolut was aware of this such that it could reasonably be expected to take this into account in making decisions about whether or not to question the payments on his account.

Even if I were to take the view that Revolut should have questioned Mr N about the payments and provided fraud and scam warnings, I would also need to consider whether or not warnings would have been effective in stopping him from making some of the payments. It appears that he believed he was forming a relationship with the scammer and it's by no means guaranteed that any warning from Revolut would have been sufficient to break that spell.

I want to be clear that it's not my intention to suggest Mr N is to blame for what happened in any way. He's described a sophisticated scam that was carefully designed to deceive and manipulate its victims and I can understand why he acted in the way he did. But my role is to consider the actions of Revolut and, having done so, I'm not persuaded these were the cause of his losses.

Recovery of funds

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

I've noted the reasons given for Mr N not reporting the scam to Revolut sooner and it's clearly unfortunate if he didn't know he could do that. But 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. In this case, Mr N didn't report the scam until more than two years after the last payment. This was after the normal timeframe for making chargeback claims in respect of the card payments had passed and I don't think anything that Revolut could have done differently would likely have led to his money being recovered after this period of time.

In conclusion

I'm sorry Mr N has lost this money and I realise the outcome of this complaint will come as a great disappointment. But, for the reasons I've explained, I think Revolut acted fairly and reasonably in its dealings with him and I won't be telling it to make any refund.

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 N to accept or reject my decision before 4 September 2025.

James Biles
Ombudsman