

The complaint

Mrs P complains that Revolut Ltd won't refund her the money she lost in an investment scam.

What happened

Mrs P says she was considering investing in cryptocurrency because she knew someone who had made a considerable return on their investment. She saw an online advert for an investment that appeared to be endorsed by celebrities. She clicked on a link and left her contact details and received a call a few days later. She was persuaded to make an initial investment of £200 and was given a trading account, but the trading was carried out by an investment manager on her behalf. She says she didn't conduct any independent research before making the initial investment.

She was advised to set up an account with Revolut and also an account with a cryptocurrency trading platform. She was shown how to withdraw money from her trading account, in cryptocurrency and to exchange it back into Sterling, and she withdrew £25 which was paid to her Revolut account.

Mrs P was persuaded to invest a further £2,500 and then additional amounts once she was satisfied the investment was performing well.

By 29 February 2024, Mrs P says she came under increasing pressure to invest more. But she says she was becoming overwhelmed by the pressure and refused to invest more, telling her account manager that she wanted to withdraw her money.

After several days of promises that her money would be returned, she was told "the bank" had blocked the investment company's attempt to pay her, but if she made a payment to her investment account for the same amount she was expecting to receive, this should unblock the payment. Mrs P says she didn't have enough money to do this but was persuaded to make a payment for £3,050 and was told that if the payment wasn't made, "the bank" would confiscate her money as a suspected money laundering transaction.

The day after Mrs P made the payment, she was told that "the bank" was still not releasing the payment and she would need to transfer another £8,258.69 in order to do so. Due to the pressure of potentially losing all the money she had invested, she was persuaded to make a further payment of £3,000.

Once again, Mrs P was told she would need to transfer more money to release her investment and Mrs P says it was at this point that she knew with certainty that this was a scam.

Mrs P made the following payments as part of this scam, using her Revolut card and making payments using a link provided to her in messages from the scammers:

Transaction	Date	Amount	Payment type
1	14/02/2024	£2,489.36	Card payment to overseas payee

2	23/02/2024	£2,499.65	Card payment to overseas payee
3	04/03/2024	£3,096.31	Card payment to overseas payee
4	05/03/2024	£2,998.64	Card payment to overseas payee

Mrs P says she reported the fraud to Revolut on 5 March 2024 and was incorrectly told by Revolut to request that chargeback claims be raised on the basis that the transactions were unauthorised. These claims failed because she had authorised the transactions.

Mrs P says she has clearly been the victim of a sophisticated scam. She was incorrectly advised by Revolut to report the transactions as unauthorised. Revolut didn't do enough to prevent the fraud. She thinks Revolut should have detected that these transactions were suspicious and ought to have intervened to prevent them. These were four large payments to an online payment gateway based overseas and some of the payments were made in quick succession

Revolut says the transactions were authorised by Mrs P and there was a lack of due diligence from Mrs P before investing, for example because she didn't properly research the investment company. It says there was gross negligence on the part of Mrs P because she sent money to an unknown beneficiary without questioning who they were, and she continued to make payments to the scammers even after she became suspicious.

It says the payments didn't trigger any security alerts, but it did post relevant warnings on its website about investment scams. It also considers it is relevant to take into account interventions by Mrs P's banks.

Revolut says chargebacks wouldn't have been successful under the card scheme rules because the payments were correctly authorised and paid to the intended merchant.

Our investigator said she thought Revolut ought to have intervened on the fourth transaction because it was made within a day of a similar payment and this meant that over £6,000 was paid to the same payee within a short amount of time. She thought Revolut ought to have intervened at this point. She thought that this intervention would have involved Revolut sending Mrs P an automated message asking her the purpose of the payment, in an attempt to narrow-down the particular scam risk she was facing and then provide warnings about the key features of the scam risk that was identified.

The investigator thought that it was likely that if Revolut had intervened, Mrs P would have told it she was making the payment as part of a payment for a holiday, since that's what she told her bank when it intervened in an earlier transaction. She didn't think this story would have been credible though because the payee wasn't a holiday company and wasn't based in the UK. So she thought Revolut would have likely uncovered the scam at that point, particularly as Mrs P was already having doubts about the investment at this time.

The investigator thought Mrs P should bear some responsibility for her loss, as she hadn't carried out any research before investing, she had made payments to a payee that wasn't the investment company she thought she was dealing with and the returns she'd been told to expect were too good to be true. She thought Mrs P should bear 50% responsibility for the last payment.

The investigator thought Revolut wouldn't have been able to successfully chargeback the transactions because they appeared to have been made to a legitimate merchant.

Mrs P didn't agree with the investigator. She says the rates of return weren't unrealistic for cryptocurrency. She had no reason to believe the payment links she was provided with were not to the investment company, which she thought was in the UK and used UK-based phone

numbers to contact her. If Revolut had contacted her and queried the payment, informing her of the intended destination of the payment, this would have prompted her to stop making payments. She thinks the first payment should have been subject to additional checks due to the payment destination, as the destination was considered high-risk.

She says Revolut should have intervened from the first payment. This is due to a combination of factors, including a large injection of money into a newly opened account, quickly being paid out to an overseas payee, which she considers was located in a high-risk destination. She thinks Revolut should have considered the rationale for the payments, the nature of the relationship between the payer and payee, and source of funds. She doesn't think it took adequate steps to identify suspicious payments. Mrs P doesn't think Revolut complied with 'know your customer' policies on guidelines issued by the Joint Money-Laundering Steering Group. For example, she points to Revolut saying it lacked knowledge of her typical account usage.

Revolut didn't comment on the investigator's assessment and the complaint was passed to me. I issued a provisional decision on Mrs P's complaint and said:

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 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. 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;*
- *have been mindful of – among other things – common scam scenarios, how 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.*

Should Revolut have recognised that Mrs P was at risk of financial harm from fraud?

Mrs P's account was newly opened, on 29 January 2024, and a variety of account opening purposes were given. Revolut wouldn't have had a transaction history with which to gauge whether the payments were unusual for Mrs P and they were not inconsistent with the

account opening purpose she gave. The first of these payments didn't take place straightaway and neither were the transactions particularly frequent or high in value.

An EMI, such as Revolut, tends to be used in a different way to a traditional bank account. It's not unusual to see such accounts being used to send money, particularly to overseas destinations. Transaction values also tend to be higher and it can be common to see deposits being made just before a payment is made from the account.

I've considered Mrs P's arguments about why Revolut should have intervened and why that intervention should have taken place earlier, but I don't find those arguments persuasive.

I don't consider there was a particularly large injection of cash into her newly-opened Revolut account. As mentioned, such accounts are often used to make payments of this size to overseas payees and this was consistent with the reasons Mrs P appears to have given for opening the account.

The payment destination wasn't considered a high-risk destination in February and March 2024, but it was on the Financial Action Task Force grey list at the time of the first transaction. It was removed from that list on the day of the second transaction, but I don't think even being on the grey list would have been a particularly compelling factor in determining whether a transaction was suspicious. This appears to have been a transaction to a legitimate merchant in a destination popular with businesses and tourists.

Overall, I'm not persuaded that the transactions would have seemed sufficiently suspicious for me to conclude that Revolut ought to have intervened in any of them.

In any event, I'm not persuaded that any intervention would have been successful, even if I were to conclude that Revolut ought to have intervened. I say this because one of Mrs P's banks did intervene in a related payment and Mrs P gave her bank inaccurate information about the payment purpose.

Two payments were received into Mrs P's Revolut account on 14 February 2024, each for £1,250 and received from accounts Mrs P held with other banks. One of those banks had intervened, blocked one of the payments and spoke to Mrs P. At that time, Mrs P told her bank that she was making the payment in connection with a holiday. She says she had been advised by the scammer not to mention cryptocurrency to her bank as he suspected her bank would block the transaction. She says she didn't feel comfortable not telling the truth to her bank but did so in order to make the payment.

On balance, I'm not persuaded I can safely conclude that any intervention would have been effective because it seems entirely possible Mrs P might have given similar inaccurate information to Revolut if it had intervened.

Recovery

I can see that Mrs P reported the fraud to Revolut, on 5 March 2024, and that it did direct her to raise a chargeback claim, seemingly on the basis that the transactions were unauthorised, as Revolut directed her to select "Someone else made this payment" when raising her claim.

But I don't think raising a chargeback for the correct reasons, on 5 March 2024, would have led to recovery of Mrs P's money. Her payments appear to have correctly credited the account of a legitimate merchant and then moved on from there, so I don't consider it likely there would have been a prospect of recovery under the relevant card scheme rules.

Revolut did not respond to my provisional decision. Mrs P responded and said, in summary:

- She doesn't agree with my view that the transactions were not sufficiently unusual that Revolut ought to have intervened further. In particular, the two payments on consecutive days, for a total amount of over £6,000, were unusual;
- If Revolut had intervened further, she wouldn't have misled it. Her circumstances changed as the scam progressed. She gave inaccurate answers to Revolut because she had been told to by the scammers. The last two payments were not for investment purposes, but her attempting to recover her investment. At that point she was under pressure, was being bullied into making payments and was desperate to recover her money;
- Although the investigator suggested Mrs P might have tried to give Revolut inaccurate answers if it had intervened further, Mrs P didn't agree that would have happened. In any event, the investigator concluded that the scam would have been uncovered and Mrs P would have been unable to maintain her story that the payments were being made in connection with a holiday. In support of this, the investigator noted that the payee was not a holiday company and was not based in the UK. She is surprised I have come to a different conclusion;
- She wasn't told that she might "lose" the amount of compensation she had provisionally been offered by the investigator. If she had been made aware that I could reach a different outcome, she would have accepted the investigator's assessment.

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 come to the same overall conclusions as I set out in my provisional decision and for largely the same reasons. However, I will address the additional points that Mrs P has raised.

As I said in my provisional decision, EMLs like Revolut tends to be used in a different way to traditional banks. Money is often paid into such an account to be transferred onwards, for a variety of purposes. International payments are not particularly unusual and payments can often be larger than with traditional banks. Nor are two payments on consecutive days, for relatively low amounts particularly unusual. I remain of the view that these payments were not sufficiently unusual that I would have expected Revolut to have intervened. On that basis, I don't consider Revolut missed an opportunity to intervene when it should have and so I don't uphold Mrs P's complaint.

In my provisional decision, I explained that even if I had concluded that Revolut ought to have intervened further, the evidence didn't persuade me that it would have prevented Mrs P's losses. I said this because she had given inaccurate information to one of her banks when it had intervened in a related transaction and I thought it likely Mrs P would have given similar inaccurate information if Revolut had intervened.

I've considered Mrs P's further comments, that her circumstances had changed and that she would have engaged openly with Revolut if it had intervened, for example on the last transaction. I accept that this is possible, but I consider it at least as likely that the circumstances she refers to, such as being under pressure, feeling bullied into making the payments and being desperate to recover her money, might have led her to continue to follow the instructions of the scammers about not being open with her banks and Revolut, in

an attempt to recover her earlier investment.

I also consider it unlikely further intervention would have caused Mrs P's story to unravel in the way the investigator suggested. I have read the points Mrs P made about the investigator's conclusions. But I note, from the payee's website, that it appears to provide a range of services, including financial services and tourism services. In my view, payments to an overseas payee associated with tourism services wouldn't have seemed inconsistent with Mrs P saying she was paying for a holiday.

Mrs P has been the victim of a cruel scam and I understand that the scammers put her under pressure to pay more money into the scam to recover her earlier investment. But despite my natural sympathy for Mrs P, on balance, for the reasons given above and in my provisional decision, I don't uphold Mrs P's complaint.

On a separate point, Mrs P said she was not told she could "lose" the amount of compensation recommended by the investigator and if she had been made aware of this, she would have accepted the investigator's recommendation. However, the investigator's assessment was a recommendation to both parties about how the complaint could be settled informally, which *neither* party accepted. Even if Mrs P had agreed with the assessment, since Revolut didn't agree with it, the appropriate next step in our process was an ombudsman's decision. I also note the investigator set out, in her letter dated 6 November 2024, that the ombudsman would look at the complaint independently, that the ombudsman's conclusions might differ from hers and that if they did, the ombudsman would write to set out their explanation and invite further comments, before making a final decision, which is what happened.

My final decision

I don't uphold Mrs P's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs P to accept or reject my decision before 20 August 2025.

Greg Barham
Ombudsman