

The complaint

Mr K has complained Revolut Ltd won't refund multiple payments he says he made and lost to scams.

Mr K is represented by a professional representative, but for ease I will just refer to Mr K throughout.

What happened

The background to this complaint is well known to both parties, so I won't repeat it in detail here. In summary, Mr K fell victim to an investment scam after coming across an online advertisement for a trading company. After clicking on the advert and entering his personal details, he was introduced to an investment scheme that encouraged investors to begin with a minimum deposit of £250. He completed due diligence by conducting online searches and found no red flags. Instead, Mr K came across positive reviews, which bolstered his confidence in the company. Additionally, the scammers provided documents such as certificates, detailed corporate information, completed KYC checks with him and then gave him access to a sophisticated trading platform which aligned with publicly available trading data. After believing he had made profits, he says he was able to withdraw £10,000 which added to his trust in the platform.

However, Mr K subsequently lost all of the funds that he invested and a recovery company (also scammers) contacted him to say they could recover them. They informed him they had located his funds in a wallet and presented themselves as knowledgeable and trustworthy. To recover these funds, they required Mr K to pay them 1% of the total amount being claimed. Subsequently, he was asked to pay further fees without his funds having been recovered.

Mr K later realised he had been scammed in each instance and raised his concerns with Revolut. In total he says he transferred the scammers over £800,000 between 2022 and 2024. However, Revolut did not compensate him as it did not think it acted incorrectly. It found that each payment was authorised by Mr K, he received tailored warnings which he did not heed, he supplied misleading information and he was negligent. Unhappy with this Mr K referred the complaint to our Service.

Our Investigator looked into things but didn't recommend the complaint be upheld. They weren't persuaded, on balance, that Revolut could have prevented Mr K from falling victim to the scams when he was not being forthcoming with the reasons for the payments. Mr K disagreed and requested a decision.

As our Investigator couldn't resolve the matter informally, the case has been passed to me for a final 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.

I'm aware that I've summarised this complaint briefly, in less detail than has been provided, and in my own words. No discourtesy is intended by this. Instead, I've focussed on what I think is the heart of the matter here. If there's something I've not mentioned, it isn't because I've ignored it. I'm satisfied I don't need to comment on every individual point or argument to be able to reach what I think is the right outcome. Our rules allow me to do this. This simply reflects the informal nature of our service as a free alternative to the courts.

I don't doubt Mr K has been the victim of a scam here; he has lost a large sum of money and has my sympathy for this. However, just because a scam has occurred, it does not mean Mr K is automatically entitled to recompense by Revolut. It would only be fair for me to tell Revolut to reimburse Mr K for his loss (or a proportion of it) if: I thought Revolut reasonably ought to have prevented all (or some of) the payments Mr K made, or it hindered the recovery of the payments Mr K made – whilst ultimately being satisfied that such an outcome was fair and reasonable for me to reach.

I've thought carefully about whether Revolut treated Mr K fairly and reasonably in its dealings with him, when he made the payments and when he reported the scam, or whether it should have done more than it did. Having done so, I've decided to not uphold Mr K's complaint. I know this will come as a disappointment to Mr K and so I will explain below why I've reached the decision I have.

I have kept in mind that Mr K made the payments himself and the starting position is that Revolut should follow its customer's instructions. So, under the Payment Services Regulations 2017 (PSR 2017) he is presumed liable for the loss in the first instance. I appreciate that Mr K did not intend for his money to ultimately go to fraudsters, but he did authorise the payments to take place. However, there are some situations when an Electronic Money Institution (EMI) should have had a closer look at the wider circumstances surrounding a transaction before allowing it to be made.

Considering the relevant: law and regulations; regulators' rules, guidance and standards; codes of practice; and, where appropriate, what I consider to be good industry practice at the time - Revolut should fairly and reasonably:

- Have been monitoring accounts and any payments made or received to counter various risks, including anti-money laundering, countering the financing of terrorism, and 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 payment service providers are generally more familiar with than the average customer.
- In some circumstances, irrespective of the payment channel used, have taken additional steps, or make additional checks, before processing a payment, or in some cases decline to make a payment altogether, to help protect customers from the possibility of financial harm from fraud.
- 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 (when considering payments made post-Consumer Duty).

So, I've thought about whether the transactions should have highlighted to Revolut that Mr K might be at a heightened risk of financial harm due to fraud or a scam.

Considering the payments Mr K made, I would have expected Revolut to have been concerned from the outset and intervened – which is what occurred. However, in response to Revolut questioning the reason for his payment he selected the payment reason as “Goods and Services” (as he also did on three other occasions) – leading to a tailored warning about purchasing scams after being questioned by Revolut’s automated system. However, such a warning was not applicable to his circumstances and would not have resonated with him. Even where he did select “Investment”, he did not heed the tailored scam warning that followed and opted to proceed. As the payments progressed Revolut intervened again and he selected “Buy or rent goods or services” – stating he was buying car parts and the seller was waiting on payment, when questioned via Revolut’s in-app chat. Similarly, Mr K did not confirm when questioned that he was being guided.

Additionally whilst considering the actions Revolut took to attempt to protect Mr K, I’ve also kept in mind what Mr K told another bank that conducted multiple interventions. During the different conversations Mr K informed it:

- He was transferring the funds due to higher interest rate offers and does so often to wherever he can benefit most.
- He was able to make withdrawals without paying any additional fees.
- He hadn’t been asked to download any software for someone to gain access to his device.
- He had made similar investments to this before.
- He had been investing using this financial service for the last three years.
- He came across the investment from his own research and it was a friend of his that also used the platform for trading.
- He was moving the funds, so they were not all stored in one and used another account as the central distribution one to do so. Not all funds were being made to the same investment.
- He wasn’t being coached by anyone and no-one had told him how to answer the questions.
- He had done background checks online, including ensuring the company was genuine. He said they were a regulated company and listed on the FCA register.
- He didn’t think it mattered what payment purpose he selected as fraud warnings always came up on every transaction and he’d read them all before.

During these interventions the bank highlighted to Mr K it had seen a rise in investment scams, with scammers creating fabricated documents and screenshots as part of the scam and being coached to lie during bank interventions. However, the victims subsequently found they had no control over their investment account. It also pre-emptively warned Mr K about being wary if ever asked to make further payments in the form of taxes, fines or extortionate fees as it would be part of a scam. Yet, Mr K continued to trust those who later turned out to be scammers, over the bank.

Considering what Mr K told his other bank, he was not sharing accurate details of his payments - and ultimately this evidences the level of influence the scammers had over him. Additionally, Mr K allowed at least one of the scammers access to his system via screensharing software, reverted back to them when his account was blocked and asked for confirmation of what to say to the bank. As Mr K believed these to be genuine companies he was dealing with, but for being heavily coached, it would not make sense as to why else he was willing to mislead the financial entities that intervened. I do accept Mr K’s desperation to recover his invested funds would have added to his decision to be evasive during the second scam – which is likely why he continued informing the bank he was investing and not that he was paying towards recovering lost funds. However, with this in mind, his actions, no matter his reasoning behind them, did take away Revolut’s opportunity to uncover the scam.

Consequently, I'm not persuaded that even had Revolut probed further or more often it would have stopped Mr K from proceeding. Revolut's interventions must not amount to an interrogation and overall, I think they were sufficient. Having listened to the available calls the questions they asked were appropriate. I am satisfied enough information was brought to Mr K's attention overall to put him on notice, considering his awareness of the wider details of his investment he hadn't shared, that there could be a risk of fraudulent activity. If Mr K had been more forthcoming with his answers Revolut would likely have recognised he was falling victim to a scam and stopped his losses from the outset. However, as Mr K chose not to be open to Revolut I do not think it would be reasonable to say it failed in its duty to protect him. Alongside this I've kept in mind Mr K also had access to at least two other accounts (which were also used during these scams). Nor have I seen any evidence the influence the scammers had over Mr K was waning. Therefore, even if Revolut had stopped him with earlier interventions he would most likely have found another way to send the funds – such as via another of his accounts.

I am sorry to hear about the vulnerable situation Mr K was in at the time of the scam and how the alleged scammers may well have used this to ensure he invested. The repercussions such a cruel scam has had on Mr K is not something I have overlooked when reaching my decision. However, I have not seen a pattern emerge that would have highlighted to Revolut that Mr K was in such a vulnerable position, or that his situation may have been impairing her decision-making during this scam. I am empathetic towards him, but I do not consider his vulnerabilities, in isolation of any other clear indicators of a potential risk of financial harm, to be something that should have triggered further red flags for Revolut.

I have noted another of Mr K's banks did compensate him for some of his losses incurred through it. However, just because one bank decides to make an offer does not mean the other financial entities Mr K used to transfer funds to the scammers must do the same.

I am sorry to disappoint Mr K, but I cannot say that the losses he incurred were due to any failings of Revolut. Ultimately, I'm not persuaded that Revolut could have uncovered the scam as Mr K would most likely have continued reassuring it with his answers. Therefore, I'm not persuaded that Revolut could have prevented Mr K's loss.

Recovery

I have gone on to consider if Revolut took reasonable steps to try and recover the funds. Revolut did attempt to recover the funds paid by card and transfer – but neither was successful. However, it's important to note he didn't instruct Revolut to send the money directly to the scammers. Mr K completed the payments to his own account. All the funds were then sent on to a wallet address provided by the scammer. Revolut would only ever have been able to attempt to recover the funds from Mr K's own account. If these funds had not already been transferred to the scammer, they would be in his control to access as and when he chose. Therefore, I won't be asking Revolut to do anything further.

My final decision

My final decision is I do not uphold this complaint against Revolut Ltd.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 10 April 2026.

Lawrence Keath
Ombudsman