

The complaint

Ms L is being represented by solicitors. She's complaining about Revolut Ltd because it declined to refund money she lost as a result of fraud.

What happened

Sadly, Ms L fell victim to a cruel investment scam. She was contacted by the scammer after responding to an advert on social media that appeared to be endorsed by well-known celebrities. Her representative says she was then asked to download screen-sharing software, presumably so the scammer could help her set up an account with the fake investment company, and persuaded to make the following payments from her existing Revolut account to fund the scam:

No.	Date	Amount
1	30 May 2023	1,754.36 Euros
2	12 Jul 2023	£5,985
3	18 Jul 2023	£3,990
4	18 Jul 2023	£1,995
5	29 Jul 2023	£12,970

Payments 1 and 5 were paid to the accounts of named individuals. Payments 2, 3 and 4 went to a cryptocurrency exchanged before the currency purchased was transferred to the scammer. I understand the last payment was partly funded by a personal loan taken out by Ms L for this purpose, but which she repaid in full very shortly afterwards without incurring interest or making any repayments.

A review of the Revolut account history shows a payment of £531.96 was received into Ms L's account from the payee in payment 5 on 24 November 2024, but I understand no other money was returned.

My provisional decision

After the complaint was referred to me, I issued my provisional decision setting out why I didn't think it should be upheld. My reasons were as follows:

There's no dispute that Ms L 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 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.

Taking these things into account, I need to decide whether Revolut acted fairly and reasonably in its dealings with Ms L.

Payment 1

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.

Having considered what Revolut knew about the payment 1 at the time, I'm not persuaded it ought to have been particularly concerned about it. Mainly because the amount was comparatively low, it wasn't obviously going to cryptocurrency or an investment (when asked in the app, Ms L said she was paying friends and family) and a pattern of payments consistent with many types of scam hadn't begun to emerge at this point. So, I can't say Revolut was at fault for processing the payment in line with Ms L's instruction.

Payment 2

Payment 2, however was much larger and Revolut could see it was going to a cryptocurrency exchange. Losses to cryptocurrency fraud reached record levels in 2022 and, by the end of that year, many high street banks had placed restrictions or additional friction on cryptocurrency purchases owing to the elevated fraud risk. So, by the time this payment took place, I think Revolut should have recognised that payments to cryptocurrency carried a higher risk of being associated with fraud. This is the point at which I think it should have recognised Ms L was at risk of harm from fraud and begun to intervene in the payment process.

It's clear Revolut did recognise the risk of harm and it did intervene before the payment was finalised. It initially showed Ms L a screen warning the payment had been identified as a potential scam. It then asked a series of questions, advising that scammers may ask her to hide the real reason for the payment and that she may not get her money back if she didn't answer truthfully.

Revolut asked Ms L to confirm the reason for the payment and she correctly answered that it was part of an investment. But she also said she hadn't been asked to install any software, which her representative has said she did. Revolut also asked how she discovered the opportunity, warning that scammers use social media to advertise fake investments that appear to be endorsed by well-known celebrities. Ms L answered that this didn't apply in her case, which her representative has also confirmed was incorrect. And when asked if she'd researched the investment company, Ms L said she'd checked it was on the Financial Conduct Authority (FCA) Register, which I also understand wasn't accurate.

Revolut then showed Ms L a series of warning screens and advised that only a scammer would tell her to ignore these. The warning screens said the following:

- *This could be an investment scam. STOP. Investment scams promise high returns in short periods of time, and might even have professional looking online platforms.*
- *Beware of social media promotions. Fraudsters use social media to promote fake investment opportunities. Read online reviews to make sure it's legitimate.*
- *Don't give anyone remote access. Scammers may ask you to install software to view your screen. Uninstall software that gives someone else control.*
- *Do your research. Legitimate investment companies are registered. Search for it on the FCA register and check for negative reviews.*
- *Don't be rushed. Take your time and speak with family and friends before making large investments. Say no if you're being pressured to invest.*

Finally, Ms L accepted a risk agreement that said:

Revolut has warned me that this payment is suspicious and I understand the risk of losing my money.

I have fully recognised the steps Revolut took before completing this payment. But in view of the risks it presented, I think it should have gone further to discuss the surrounding circumstances with Ms L, either by speaking to her over the telephone or engaging her via the in-app chat.

Would this type of intervention have prevented the loss from payment 2?

The purpose of this type of human intervention would have been to find out more about the investment Ms L thought she was making with a view to helping her decide if it was legitimate and whether she should continue with the payment.

I can't know for certain how such a conversation with Ms L would have turned out, but I can see that her bank staged a similar intervention on 1 July when she wanted to transfer money to her Revolut account. I've listened to a recording of the call and Ms L explained that she was making an investment, she gave the name of the company she was investing with and said she initially found out about it through an advert on social media.

Based on the information she gave, the agent at Ms L's bank then went on to explain in very clear terms that he believed she was speaking to scammers who were trying to steal her money and that she would lose it. He told her to cease contact with the scammers and not pay any more money. He further explained investment scams promise high returns that aren't true and that she wouldn't be able to withdraw money when she wanted to, to which Ms L confirmed she hadn't actually had any money back into her own account at that time. The agent then explained that the payment had been declined and would be returned to her account.

Despite this very clear warning from her bank, Ms L found another way to transfer money to Revolut before paying it to the scam.

Revolut didn't speak to Ms L in the same way but it did provide a series of warnings that set out some of the common features of investment scams that she should have

recognised in her own situation. That should at least have served to reinforce what she'd already been told by her bank. On balance, after listening to the call with the bank and reviewing the warnings Revolut did provide, I don't think it's likely that a conversation with a Revolut agent – who could only really have repeated what she'd already been told by her bank - would have made a difference to her decision to carry on with the investment.

A history of Ms L's online chat with the scammer has been provided and this shows she was being heavily coached in how to deal with any interventions by her bank or Revolut to make sure the payments went through. The scammer told her to ignore scam warnings, saying banks always try to block transfers like this and at one point telling her they do it because they'd rather customers invested with them rather than elsewhere.

It's clearly unfortunate that Ms L decided to trust what the scammer was telling her over and above the warnings given by her bank and by Revolut. But I think it's difficult to see what else Revolut could have said that she hadn't already been told. Despite these warnings, it seems clear Ms L was determined to make these payments regardless. This is evidenced by the fact she found another way to transfer money to Revolut after her bank declined a payment, and also by her actions in respect of payment 5, which I'll come back to later in this decision.

It's for these reasons that I don't believe further intervention by Revolut in respect of payment 2 would have prevented Ms L's losses.

Payments 3 and 4

Revolut has shown that it followed the same intervention process as above before payments 3 and 4 were processed, with Ms L answering its questions in the same way, before it showed her the same warnings. While these payments were smaller, the fact they were made on the same day in my view means a further intervention via telephone or the in-app chat was warranted in respect of payment 4. But for the reasons outlined above, I think it's difficult to see how this would have made a difference to the overall outcome by stopping Ms L making further payments to the scam.

Payment 5

The Revolut account history shows Ms L tried to make this payment to the cryptocurrency exchange on three occasions between 26 and 29 July. Each time she said the reason for the payment was investment and went through a similar intervention with Revolut concluding it needed to speak to her before finalising the payment. On the first two occasions, Ms L cancelled the payment at that stage. On the third occasion, she did speak to an agent who advised her the payment had been declined to protect her from a potential scam.

Ms L then tried to make the payment for a fourth time and this time, on the advice of the scammer, she made the payment to the account of a named individual rather than the cryptocurrency exchange. And when Revolut asked what the payment was for, she said she was paying friends and family. In response Revolut showed a series of warnings relating to scams involving payments to friends and family and, quite rightly in my view, paused the payment saying it needed to speak to her.

This time, Ms L did take the call and a recording has been provided. Unfortunately, the agent wasn't able to verify her identity sufficiently and the conversation reverted

to the in-app chat. During the chat, the agent asked Ms L to elaborate on the payment and she said she was repaying a friend she'd borrowed money from. She also said she'd spoken to the payee when the agent explained that scammers sometimes impersonate friends and family to trick people into sending money. The agent also asked for a screenshot of Ms L's conversation with her friend, which she said she couldn't provide as they'd spoken on the telephone. And a screenshot showing the payee had paid her money previously, which Ms L said she couldn't do as it was a while ago and she no longer used that bank. She then asked why the agent was asking so many personal questions.

The agent concluded the call by saying she thought there was a high chance this payment was part of a scam and that, if the money did leave the account, it was unlikely Revolut would be able to recover it later. Ms L confirmed she understood this and told the agent to proceed with the payment.

After reviewing this interaction, I think Revolut should have connected this payment to the cancelled payments to the cryptocurrency exchange as it came very shortly afterwards and was for a similar amount. That ought to have prompted its agent to probe further about whether Ms L was really repaying a friend as she'd said. But in view of the coaching she'd received from the scammer and her apparent determination to go ahead with the payment in spite of all warnings to the contrary, it's not apparent that she'd have been willing to disclose the real reason. And even if she had, or alternatively if Revolut had cancelled the payment altogether because it wasn't satisfied with her explanation, I'm not persuaded that this would have prevented Ms L's losses. She appears to have been prepared to say whatever she thought she needed to to make sure the payment went through and, much as she had when her bank declined a transfer on 1 July, I think the evidence suggests she'd have found another way to pay that money.

In conclusion

While I do think Revolut could have gone further to intervene in some of the payments, I'm conscious her bank did exactly that and Ms L's intent on paying money to the investment scheme wasn't dented. The bank's warnings could only have been reinforced by the written warnings Revolut showed throughout the series of payments but they didn't deter her either. And I've no reason to think that anything would have changed if Revolut had essentially repeated what she'd already been told by her bank.

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

I recognise Ms L has been the victim of a cruel scam and I'm sorry she lost this money. I realise my comments will come as a great disappointment but, for the reasons I've explained, I don't think any further intervention by Revolut would have made a difference to the eventual outcome and I won't be telling it to make any refund. As a result, I'm not currently proposing to uphold this complaint.

Recovery of funds

For completeness, I've also looked at whether Revolut could or should have done more to try and recover Ms L's losses once it was aware that the payments were the

result of fraud. But I understand Ms L didn't notify Revolut of the fraud until November 2024, nearly four 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 have led to these payments being recovered successfully after this period of time.

The responses to my provisional decision

Ms L didn't accept my provisional decision and made the following key points:

- The scammer was very convincing, particularly about the conduct of UK banks in relation to cryptocurrency.
- She was told payment 5 was going to a colleague of the scammer's and she did check the individual's address and believed this to be genuine.
- Payment 5 was only allowed through because she said she owed money to the recipient. Revolut didn't check this.

The account history shows she didn't use her Revolut account extensively before the scam and the pattern of payments she made to the scam should have been of concern.

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.

I agree the account activity should have been of concern to Revolut and it seems clear that it was given the various interventions it carried out. I accept it could have gone further with some of these interventions but, for the reasons I've explained in my provisional decision, I think the evidence shows Ms L was determined to continue making payments to the scammer despite warnings from her bank and Revolut. I don't think any further intervention from Revolut would have succeeded in preventing her losses and I can't therefore reasonably hold it responsible for them.

On the subject of payment 5, the history of Ms L's chat with Revolut's agent shows they did ask for a screenshot of her conversation with her 'friend' about this. They also asked for a screenshot showing the 'friend' had paid her money previously. So I'm satisfied it asked for appropriate evidence to support the payment reason. In response, Ms L gave an explanation that would have seemed plausible, saying she couldn't provide this as everything had been discussed over the phone and she no longer used the bank the money was paid into so couldn't provide evidence of having received it.

This was a sophisticated scam operated by an individual who was very skilled at deceiving and manipulating his victims. I'm not trying to say Ms L is to blame for what happened in any way at all. But the specific issue I have to consider whether Revolut's actions were to blame for her losses. I don't think they were for the reasons I've set out.

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 Ms L to accept or reject my decision before 19 August 2025.

James Biles
Ombudsman