Financial Ombudsman Service

The complaint

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

What happened

Sadly, Ms M fell victim to a cruel cryptocurrency recovery scam after she was contacted by scammers claiming they could recover money she lost to an earlier investment scam. Ms M already held an account with Revolut and she used this to move money to her existing cryptocurrency account from where it was transferred to the scammers.

Ms M made payments to her cryptocurrency account of £4,000 and £501 on 26 October 2021 and another £4,000 on the following day. She also made payments to the scam from her bank account and that was considered by our investigator in a separate complaint.

Our investigator didn't recommend this complaint be upheld. While he felt Revolut should have intervened before processing the final payment, he didn't think it would have prevented Ms M's loss. In reaching this conclusion, he noted that she followed the scammers' advice to hide the real reason for the payments she was making when questioned about them by her bank.

Ms M didn't accept the investigator's assessment. Her representative argues that Revolut should have contacted Ms M in person to ask probing questions about the payments. It says there's no evidence she was given a detailed cover story by the scammers that would have stood up to appropriate scrutiny.

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. 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.

There's no dispute that Ms M 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.

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

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 and I must take into account that many similar payment instructions it receives will be entirely legitimate. I also need to consider Revolut's responsibility to make payments promptly.

Having considered what Revolut knew about the first two payments on 26 October, I don't think it ought to have been concerned. The amounts involved on their own weren't so significant that they should have been considered particularly high risk and cryptocurrency-based fraud was less prominent at that time than it has now become. So, I can't reasonably say it was at fault for processing the payments in line with Ms M's instructions.

But by the time Ms M made a third payment the following day, I believe a pattern associated with many types of scam had begun to emerge and this is the point as which Revolut should have identified she may be at risk of fraud. But, aside from asking her to confirm she knew and trusted the payee, I understand no intervention was attempted.

Having thought carefully about the risks this payment presented, I think an appropriate response to those risks would have been for Revolut to have asked Ms M to confirm the reason for the payment in the app so it could identify what type of scam might be taking place and provide an appropriate warning. I note Ms M's representative argues Revolut should have contacted her in person to discuss the payment, but I'm not persuaded a human intervention of this type was warranted on this occasion.

In considering whether an appropriate intervention would have prevented further losses, I've referred to Ms M's chats with the scammers and a telephone conversation with her bank when she spoke to it on the same day (27 October) about a payment to the scam from her other account. It's clear from her chats with the scammer that Ms M was encouraged to hide the real reason for the payments if asked and while she didn't necessarily offer the same reason to the bank, she didn't say what it was actually for. She instead said she'd be sending money to family and friends and it was easier to do this using her Revolut account.

I note Ms M's representative seems to think she told the bank she was transferring money to Revolut to avoid going into overdraft. But my interpretation of the call and accompanying transcript is that this is how she explained moving money from her savings account before making a transfer to Revolut. She had said earlier in the call that she was transferring money to Revolut to send to family and friends.

If Revolut had asked Ms M to confirm the reason for the third payment, and given that this was on the same date as her conversation with the bank, I think it's likely she'd have given a similar answer, i.e. that she was transferring money to family/friends. In those circumstances, I would have expected Revolut to provide warnings about impersonation and/or friends/family-related scams. But as these warnings wouldn't have related to what was actually happening, I don't think they'd have resonated with her or prevented her from going ahead with the payment.

I want to be clear that it's not my intention to suggest Ms M 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.

Recovery of funds

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

I understand Ms M didn't tell Revolut about the fraud until 2024, nearly three years after the payments. 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 it's not surprising that Revolut's attempts to get her money back weren't successful after this period of time.

In any event, Ms M transferred funds to a legitimate cryptocurrency account in her own name. From there, she purchased cryptocurrency and moved it to a wallet address of her choosing (albeit on the scammers' instructions). Revolut could only try to recover funds from Ms M's own account and it appears all the money had already been moved on. If not, anything that was left would still have been available to her to access.

In the circumstances, I don't think anything that Revolut could have done differently would likely have led to those payments being recovered successfully.

In conclusion

I recognise Ms M has been the victim of a cruel scam and I'm sorry she lost this money. I realise the outcome of this complaint 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.

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 M to accept or reject my decision before 30 September 2025.

James Biles
Ombudsman