

The complaint

Mr K complains that Revolut Ltd ('Revolut') won't refund the money he lost to an investment scam.

What happened

The background is known to both parties. I won't repeat all the details here.

In summary, Mr K says that, in October 2023, he saw an advert about cryptocurrency investments which was seemingly endorsed by a well-known celebrity. He contacted the 'company' (I'll call 'F') that was featured in the advert and, after registering his interest, he was contacted by someone (a scammer) claiming to be an 'adviser' at F.

Believing he was dealing with a genuine individual he went on to 'invest' as instructed into what he thought was cryptocurrency and commodities. As part of the process he was given access to F's (fake) platform. The payments from Revolut were initially sent to two recipients ('L' and 'R') and, by December 2023, he thought his 'investment' had grown to £250,000. But when he asked to withdraw, he was told 'fees' had to be paid for that to happen. He became concerned and reported his concerns to Revolut and the Police. He says the Police didn't respond until the matter was again reported some months later.

There was a pause in payments until February 2024 when the same scammer got back in contact. At that time, Mr K was led to believe F had ceased trading and his account (which now allegedly stood at £450,000) was to be 'liquidated'. He was again told he needed to pay 'fees'. These were to be paid in cryptocurrency which he bought using his accounts with crypto-exchanges ('C', 'S', 'M', 'T'). He was then told more 'fees' were required due to changes in cryptocurrency values. In total, another £9,950 was sent as part of the scam before his Revolut account was restricted and no further payments were allowed.

A complaint was made to Revolut in March 2024 and then referred to our Service. Our Investigator didn't uphold it. He thought Revolut had taken proportionate steps in relation to payments to L and R and wasn't at fault for processing them in line with Mr K's instructions. And while he thought Revolut ought to have been concerned about Mr K's later transactions to crypto-exchanges, he noted it was misled about what was happening and that Mr K went on to make payments from accounts with other firms when this account was restricted. He wasn't persuaded a proportionate intervention would have prevented his losses.

As the matter couldn't be resolved informally, it's been passed to me to decide.

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 decided not to uphold it for similar reasons as the Investigator.

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 (the 2017 regulations) and the terms and conditions of the customer's account. It's not in dispute that Mr K authorised the transactions in question, so he's presumed liable for his losses in the first instance.

But that's not the end of the matter. As Revolut is aware, taking longstanding regulatory expectations and requirements into account, and what I consider to have been good industry practice at the time, it should have been on the look-out for the possibility of fraud and made additional checks before processing payments in some circumstances.

In this case, I agree there was enough about some of Mr K's payments for Revolut to have stepped in on concerns that he might be at a heightened risk of financial harm from fraud – considering, for example, some of their values. That said, as referred to by the Investigator, Revolut did intervene on several payments (as I'll consider below). And it's important for me to emphasise that, even in circumstances where Revolut might have failed in some way, it's still necessary to consider whether that would have otherwise made a difference to what happened – such that I can fairly and reasonably hold it liable for Mr K's losses.

Payments to L and R

The evidence shows Revolut intervened on Mr K's first payment to L – a payment of £2,000 on 23 October 2023. A 'new payee' warning was given. Mr K was then asked a series of automated questions in the payment flow. He was warned *"Please answer truthfully. If you're being scammed, the fraudster may ask you to hide the real reason for this payment"*. Mr K replied *"I understand"*. But when asked why he was making this transfer, he selected *"Buy or rent goods or services"*, even though the option 'As part of an investment' (matching his situation) was available for him to choose from. He went on to say he was *"Buying goods from an online retailer"*, that the goods were *"averagely priced or more expensive than usual"*, that *"I know/have met the seller"* and that he'd *"seen the item in person"*.

In turn, Mr K was shown warnings about 'purchase scams'. The same set of questions and answers were provided when Revolut intervened on Mr K's first payment to R (£5,000 on 6 December 2023) and Mr K was again shown warnings relevant to 'purchase scams'. In both instances, before payments were sent, Mr K was asked to confirm *"I understand and accept the risks tied to this payment. I will only proceed if I am confident that it's legitimate"*.

I realise the warnings didn't resonate with Mr K. But I'm satisfied the steps Revolut took on the payments to L and R were proportionate in response to the risks presented. I don't think it acted unfairly in processing Mr K's instructions on the information it had available at the time. And I don't think it'd be fair to hold it responsible for Mr K's losses when his replies to the questions in its payment flow didn't lead naturally to warnings tailored to what was really happening and which might have otherwise prevented them.

Payments to crypto-exchanges

As noted above, Mr K was contacted by the scammer again in February 2024. He was led to believe his 'balance' had grown further and he needed to pay 'fees' to access his funds. More 'fees' were then requested to account for movements in price. A number of payments were sent from Revolut as a result between 26 and 28 February 2024. I think there was again enough about some of those for Revolut to have had concerns of a possible fraud risk. But, as referred to by the Investigator, Revolut did block payments for review and, when the account was restricted, Mr K used other accounts to continue payments to the scam.

The first block was on 26 February 2024, on a payment attempt of £5,000 to a seller likely operating in the peer-to-peer market (P2P). Mr K was brought into 'live' chat and warned the

payment had been paused to protect him from a potential scam. He was asked why he was making it. He replied he was *"Paying for a service"*. When probed, he said he was paying *"A friend of mine, for personal service"*. He confirmed he wasn't being guided to make the transaction in any way; he knew the seller was legitimate; and had seen proof of ownership. When asked for an invoice, Mr K said *"There is no invoice it is between friends"* and that he couldn't provide evidence of messages as the transaction had been arranged in person.

He said he wanted the *"transaction completed immediately"*. When Revolut returned with questions, Mr K said *"I'm paying for assisted living by a family friend for my mother-in-law who has recently had a heart attack. I don't have any screenshots as conversation was face to face"*. When asked if he'd recently invested in cryptocurrency, he said *"Yes, I recently invested a small amount (specifically Bitcoin) this is totally separate from the above and is a long-term investment."* But I can see that, after the transaction was cancelled, Mr K went on to use the funds to make lower value payments to crypto-exchanges. And that when the remaining funds were moved through his account with another firm ('W'), these were used to buy cryptocurrency in the P2P market and have since been reported as part of the scam.

On 27 February 2024, Mr K tried to transfer more funds to his account with W. He was again brought into 'live' chat and asked why he was making the transactions. He told Revolut no-one had asked him to make the transfers. He was warned this can be a red flag for scams. On request, he sent a screenshot of his W statements, said he was returning funds to his account, and confirmed the money *"will go nowhere for now"*. When pushed he said: *"No purpose as stated returning the money to where it came from"*. In answer to further probing he said: *"please return the money or process the transfer back to the account it originated from, I think it is quite unethical to hold my money to ransom to gain information"*.

I note Mr K was also asked specifically about the reasons for payments to crypto-exchanges M, C, S and whether anyone had contacted him about getting funds back from a previous investment. Those questions remained unanswered as Mr K continued to repeat he was transferring funds back to *"my"* account. And we know that, when his account was restricted, as Revolut wasn't happy with his answers, scam payments continued from other accounts.

I've thought about Mr K's replies to our Investigator's outcome. I agree Revolut should have been on the lookout for suspicious activity and that, known 'vulnerabilities' and reported scams, are factors a firm should consider in deciding if and how to intervene. At the same time, I can't ignore Revolut did try to establish if a scam was taking place. While some of its questions were automated, many were asked as part of a 'live' intervention. And it's clear from those interactions Mr K wasn't prepared to reveal anything significant about what he was really doing. In particular, his answers to some key questions didn't indicate the involvement of a third-party or 'fees' required to withdraw funds from an earlier 'investment'. This is despite probing and warnings from Revolut in December 2023 and February 2024.

Like the Investigator, I'm satisfied Revolut's interventions were proportionate to the payment risks presented. But, for completeness, even if I thought Revolut should have gone further than it did at points, I'm not persuaded that would have led to the scam being exposed in any event – given how things played out during a number of interventions, the warnings given, Mr K's comments that the scammer had him on the phone for hours in that time, and the evidence in the scam chat showing Mr K reverted to the scammer when payments were blocked. In my view, Mr K was heavily under the scammer's 'spell' during the transactions. I'm mindful he continued with payments despite his own scam concerns on 26 February 2024 (as shown in the scam chat). I'm not convinced he would necessarily have been more forthcoming if Revolut had asked its questions in a call or that he wouldn't have found other ways to make payments if necessary. And, as a matter of causation, I can't hold Revolut liable for his losses in circumstances where it's unlikely it could have stopped them.

Recovery

The payments to L and R were made by transfer. Revolut couldn't have raised a chargeback in relation to those payments. And, as noted by the Investigator, Revolut attempted recovery by contacting the recipient but the recipient then responded to say no funds remained in the beneficiary accounts. There was little more Revolut could have done in the circumstances. A chargeback is relevant for the card payments to the crypto-exchanges, but such a claim wouldn't have had any prospect of success, as there's no dispute that the merchants (the crypto-exchanges) provided the cryptocurrency as intended before it was sent to the scam.

My final decision

For the reasons I've given, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 26 August 2025.

Thomas Cardia
Ombudsman