

The complaint

Mr J complains that Revolut Ltd won't refund money he lost when he was the victim of two investment scams.

What happened

The background to this complaint is well known to both parties and so I'll only refer to some key events here.

In 2023 Mr J was contacted by two investment firms that told him they would teach him how to trade and help him make "*quick and better returns*". I'll refer to these firms, that we now know to be scams, as 'C' and 'S'. Mr J opened trading accounts with C and S and, between March and November 2023, he sent about £65,000 and £105,000 to them respectively. Most of the payments went via legitimate crypto providers, but several of the lower value payments seem to have gone to merchants relating to online education/training websites, along with a single £10,000 to a firm I'll refer to as 'T'.

Mr J has explained he realised he'd been scammed by C when, after paying taxes on his profits, they stopped all contact with him after he requested a withdrawal of funds. And he realised he'd been scammed by S too when they similarly told him he had to pay tax to be able to withdraw funds.

Mr J reported the scams to Revolut, and a complaint was raised. Revolut rejected it. They said their attempts to recover the funds was still ongoing. But they said they had provided scam warnings to Mr J and asked about the purpose of a payment(s), if someone was pressuring him to make it or if he'd been called unexpectedly – after which, he was referred to their support team where he confirmed he wanted to proceed. Because of this, Revolut didn't think they were at fault for processing the payments.

The complaint was referred to the Financial Ombudsman. Revolut confirmed they had been unable to recover any of the funds.

Our Investigator didn't think Revolut had to refund Mr J. She said Revolut did carry out some checks before processing some of the disputed payments – as she would've expected – but Mr J provided inaccurate information. She also didn't think any further questioning from Revolut about the payments would've uncovered the scam. Our Investigator also didn't think Revolut could've done anything more to recover the funds lost.

Mr J disagreed with our Investigator. In short, he's said:

- Revolut is aware of the increase in scams whereas victims lack this awareness and the understanding of the methods deployed by fraudsters.
- Payments made within the UK are secured by banking laws and payment service regulation. And Revolut didn't take any precautionary measures for the £10,000 transaction to T.
- Revolut failed to act despite cumulative red flags. This included high value transactions made in quick succession, him selecting 'yes' when questioned whether he

had been approached by someone online encouraging to invest that he hadn't met before, and him stating he wasn't buying crypto (but if Revolut suspected this they ought to have taken additional precautions). Furthermore, Revolut didn't block a transaction when he said it was for 'safe account' purposes.

- Revolut put a misplaced reliance on his responses to their questions and failed to provide effective interventions despite high-risk indicators – as crypto payments are known to be extremely high risk with widespread fraud warnings in place, he made multiple high value payments in quick succession to external wallets (consistent with scam patterns) and scammers explicitly instructed him to misrepresent payment purposes (a tactic used in sophisticated fraud schemes). Despite this, Revolut only applied basic automated warnings, questionnaires and educational prompts. And his responses were obtained under manipulation and emotional pressure.
- Revolut didn't investigate the payments properly and failed in their duty to stop the fraud. Nor did their handling of the case meet the required standards of care as defined by both regulatory expectations and Financial Ombudsman precedent.
- He referred to various previous decisions made by the Financial Ombudsman to support his complaint, whereby their application here means:
 - Revolut should've escalated the £10,000 payment to T (which he selected the payment purpose as 'goods and services') via their live chat, put a hold on his account hold and/or carried out a detailed review.
 - His change of answer, from 'yes' to 'no', in response to whether he was approached online indicated confusion and potential coaching. This demanded action.
 - Revolut's risk engine should've correlated his transaction history with FCA warnings on crypto fraud and escalated the payments accordingly – notwithstanding him selecting 'no' to the crypto question.
 - Revolut ought to have carried out a live review upon him selecting 'safe account' as the purpose of a payment.
 - Revolut's duty to prevent unauthorised losses cannot be shifted solely on the customer's declarations.
- The screenshots of Revolut's automated questioning and warnings are generic illustrations (examples) and not actual evidence from his user session. As, for example, the screenshots don't match his mobile device's interface, the network name shown is different and the look and feel of the user interface is inconsistent with his device. And so, the conclusion reached by our Service based on this evidence is misconceived and not acceptable.

The matter has been passed to me to decide.

Before I explain the reasons for the decision I've reached, I want to clarify that I'm looking at the specific circumstances of Mr J's complaint when deciding what's fair here. So, while I understand Mr J has referenced other cases that the Financial Ombudsman has decided in support of his complaint, I won't comment on other cases specifically in my 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 sorry that Mr J has been the victim of investment scams. I realise he has lost a significant amount of money and so, I'm sympathetic to his situation. I therefore want to reassure Mr J that I haven't made this decision lightly. But I must consider whether Revolut is responsible for the loss he's suffered. Having done so, and while I realise this isn't the outcome Mr J is hoping for, for similar reasons as our Investigator, I don't think they are. Because of this, I don't think Revolut acted unfairly by not refunding the payments. I'll explain why.

Before I do, I want to reassure Mr J that I've considered everything he's submitted in support of his complaint. And so, while I've summarised this complaint in far less detail than what has been provided, I want to stress that no discourtesy is intended by this. If there is a submission I've not addressed; it isn't because I have ignored the point. It's simply because my findings focus on what I consider to be the central issue in this complaint – that being whether Revolut is responsible for the loss Mr J has suffered.

In broad terms, the starting position in law is that an Electronic Money Institution (EMI) is expected to process payments that their customer authorises them to make. It isn't disputed that Mr J authorised the payments from his Revolut account. Therefore, under the Payment Services Regulations and the terms of his account, Revolut are expected to process Mr J's payments, and he is presumed liable for the loss in the first instance.

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 in March 2023 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 their 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;
- 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.

I need to decide if Revolut acted fairly and reasonably in their dealings with Mr J when he made the payments. Specifically, whether they should've done more than they did before processing them – and if they had, would that have made a difference.

Given the frequency of the transactions that were being made and their value, along with the majority being made to a well-known crypto provider (which carries a known fraud risk), I'm satisfied there was justification for Revolut to intervene prior to processing Mr J's payments.

But for me to find it fair and reasonable that Revolut should refund Mr J requires more than a finding that Revolut ought to have intervened. I would need to find not only that Revolut failed to intervene where they ought reasonably to have done so - but crucially I'd need to find that but for this failure the subsequent loss would've been avoided. That latter element concerns causation. A proportionate intervention will not always result in the prevention of a payment. And if I find it more likely than not that such a proportionate intervention by Revolut wouldn't have revealed the payments were part of a fraud or scam, then I couldn't fairly hold Revolut liable for not having prevented them from being made.

Here, Revolut has shown they carried out additional checks before processing some of the disputed payments. These checks consisted of asking Mr J to confirm the purpose of the payments, completing questionnaires, being referred to Revolut's in-app chat function for further questioning (in respect of one payment) and being provided scam warnings and educational stories tailored to the purpose of the payments.

At which point, I understand Mr J has questioned the reliance on the screenshots Revolut has provided to show the automated questioning and warnings it says were presented – as he says these are generic and not evidence of his user session. While I've noted Mr J's points in this respect, I wouldn't reasonably expect Revolut to keep records of the actual screen each customer saw in relation to every transaction on their specific mobile device. Instead, I think it is reasonable for them to demonstrate – as they have done – the content of the question and/or the warnings that would've been shown at the time. And so, while I appreciate the appearance may have been slightly different based on Mr J's own mobile device and network provider, I'm satisfied Revolut has evidenced what Mr J would've seen at the time of these payments – including the questions he was asked and the responses he provided.

Here, I wouldn't have expected Revolut to have carried out additional checks before processing the first disputed payment – as it was low in value (£100). Revolut did however carry out additional checks before processing the next payment. And given its value (£9,900) and as it was going to a known crypto provider, I think that was reasonable in the circumstances. These checks included:

- Revolut warning Mr J that:

“This transfer may be a scam

Our systems identified this transfer highly unusual, and put it on hold.”

- Revolut asked Mr J to tell them the purpose of the payment, and he selected 'Investment'. This prompted a brief questionnaire for Mr J to complete, which included (with the response in bold):
 - Are you being pressured to act quickly to not miss out on the opportunity? **No**
 - Have you conducted any research, and do you understand what you're investing in? **Yes**
 - Have you been contacted or encouraged to invest by someone you don't know or have only met online recently? **Yes**

This then prompted tailored warnings:

“Investment scams

Fraudsters could contact you, or you may see an advertisement online, offering you a fake – but often convincing – investment opportunity to make easy money

Are you being scammed?

Legitimate investments will never guarantee a profit and won't be arranged over social media. Investment companies will be registered with a regulator, such as the Financial Conduct Authority (FCA) in the UK”

And Mr J was then directed to Revolut's in-app chat function to discuss the payment further – which, considering Mr J had responded 'yes' to the last automated question, I think was reasonable in the circumstances.

Revolut asked the same three questions to Mr J again, but while he answered the first two the same, he changed his answer to the last question to 'no'. Further to this, he was asked (with the response in bold):

- Have you been asked to install any apps (such as AnyDesk or TeamViewer) or been assisted in setting up an investment account? **No**
- Are you buying cryptocurrency? **No**

Revolut provided Mr J with some investment advice and warnings before allowing the payment to be processed. But while Mr J's answers in the in-app chat would've been reassuring, he'd provided inconsistent answers as I've highlighted above. Mr J also said he wasn't buying crypto despite the payment going to a well-known crypto provider. And so, I think there was enough reason for Revolut to be concerned by Mr J's responses.

I've also taken into account that Revolut carried out additional checks on further payments Mr J made. This included the £10,000 payment to T, and also two other transactions to crypto providers. These checks included:

- Mr J was asked the purpose of the payments. He selected 'Payment for Good and services', 'Crypto Currency' and 'Transfer to a "Safe Account"'.
 - Revolut providing warnings that were, due to the payment purposes selected, tailored to purchase and safe account scams. These, naturally, weren't relevant to Mr J's situation.
 - Revolut also provided warnings tailored to crypto that included:

"Asked to download software?"

If someone has asked you to download any software (like AnyDesk), this could be a scam"

"Are you making a new investment?"

Research if what you're investing in is a legit company or cryptocurrency"

Here, I would similarly have expected Revolut to have had concerns regarding the payment Mr J selected 'Transfer to a "Safe Account"' as the payment purpose for (as there are few legitimate reasons where this scenario might apply). Further to this, Mr J made other high value payments, with some in quick succession, that arguably ought to have prompted further intervention from Revolut before being processed.

Because of this, I think it would've been reasonable for Revolut to have questioned Mr J and held his responses up to further scrutiny. I've therefore considered what would've happened if Revolut had done this. And, as I cannot know with certainty, I must make my decision based on what I think is most likely in the circumstances – considering all of the available evidence.

Here, I think it is of relevance that Mr J has said the scammers explicitly instructed him to misrepresent the payment purposes and that his responses were obtained under manipulation and emotional pressure. This seems to be evident by Mr J changing his response as to whether he'd been contacted or encouraged to invest by someone he didn't know or had only met online recently, him selecting 'no' as to whether he was buying crypto and also by selecting inaccurate payment purpose for some transactions – 'Payment for Good and services' and 'Transfer to a "Safe Account"'.

- Mr J was asked the purpose of the payments. He selected 'Payment for Good and services', 'Crypto Currency' and 'Transfer to a "Safe Account"'.
 - Revolut providing warnings that were, due to the payment purposes selected, tailored to purchase and safe account scams. These, naturally, weren't relevant to Mr J's situation.
 - Revolut also provided warnings tailored to crypto that included:

I've also reviewed Mr J's correspondence with S and C. When making the £10,000 payment to T, Mr J was directed by S: *"On the reasons for transaction, remember not to say anything about trading nor investments"*. To which Mr J went on to say; *"ok fine I will mention Paying for a service"*. This, to me, demonstrates that Mr J was willing to follow the scammer's instructions to conceal the true purpose of the payment from Revolut.

Further to this, there is evidence of remote desktop software being used as part of the scams. This includes an email on 15 March 2023 sent to Mr J, six days prior to the first scam payment, with a download link to 'Screenleap'. There are also several references in further conversations:

- On 23 May 2023, Mr J says *"Sorry you mean screen share. I am doing that on my mobile"*.
- On 4 August 2023, S says *"send me your anydesk number while we chat..."*. Mr J then asks if they can see his screen, and they confirm they can.
- On 29 September 2023, S asks if they can connect and asks for the anydesk number. Mr J then provides it.
- On 9 January 2024, Mr J asks S *"Can we connect over the telegram and do the screen share..."*

From this, I'm satisfied Mr J downloaded desktop software on the instruction of the scammer(s) and that it, seemingly, appears to have been used from the outset. Because of this, Mr J answered Revolut's in-app chat question regarding the installation of software – as well as being assisted in setting up an investment account – inaccurately. Mr J also failed to respond positively to the scam warning provided by Revolut whereby they informed him that if someone had told him to download software it could be a scam.

I appreciate Mr J has said that he was manipulated by the scammers, with emotional pressure applied. I don't doubt this as, sadly, scammers do exploit their victims. And I fully accept Mr J is the innocent victim of a scam here. But while Mr J might not have been aware of the tactics used by scammers or understood the consequences of his actions at the time, by providing inaccurate information to Revolut it prevented them from establishing the true risks associated with the payments he was making. And even if Revolut had questioned Mr J further about the surrounding circumstances of the payments, including challenging him on some of the conflicting and concerning responses he'd provided, I'm not persuaded they would've uncovered the scam or prevented Mr J's loss.

Mr J has told us that he fully believed the legitimacy of investments. Because of this, on balance, I think it's most likely that Mr J would've continued to have followed the guidance of the scammers on how to answer further questioning from Revolut about the payments (as he had already done). So, while I appreciate Mr J was sadly being manipulated by the scammers, this would've similarly led to the true circumstances of why he was making the payments being withheld from Revolut – thereby preventing them from uncovering the scam. It follows that, while I'm sympathetic to Mr J's situation and the impact this scam has had on him, I cannot fairly hold Revolut responsible for his loss.

I've considered whether, on being alerted to the scam, Revolut could reasonably have done anything more to recover Mr J's losses, but I don't think they could. Revolut contacted the beneficiary banks, which is all they could do in the circumstances, but this was unsuccessful. This isn't surprising as the crypto Mr J purchased was forwarded on as part of the scam and, in respect of the payment to T, this would've likely been removed shortly after it was received (well before the scam was reported). And in respect of the card transactions, I don't think there was any reasonable prospect of success via a chargeback claim.

I know Mr J will be disappointed by this outcome. But it would only be fair for me to direct Revolut to refund his loss if I thought they were responsible – and I'm not persuaded that this is the case. For the above reasons, I think Revolut has acted fairly and so I'm not going to tell them to do anything further.

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 Mr J to accept or reject my decision before 5 November 2025.

Daniel O'Dell
Ombudsman