DRN-5728261

The complaint

Mrs S is complaining about Revolut Ltd because it declined to refund money she lost as a result of fraud.

What happened

Sadly, Mrs S fell victim to a cruel investment scam after responding to an advert she saw on social media. She was contacted by the scammer who said he'd be her adviser and assist her with the investment process. She was asked to instal screen-sharing software so the scammer could help her set up accounts with Revolut and a cryptocurrency exchange.

After an initial investment of £250 from a different account, in July 2023 Mrs S used her newly-opened Revolut account to fund the following payments to two different cryptocurrency exchanges:

No.	Date	Amount £
1	4 July	5
2	4 July	500
3	5 July	8,500
4	11 July	10.000
5	12 July	19,000
6	13 July	10,000
7	16 July	10,000
8	17 July	6,200

The Revolut account history shows the amount of £8,811.74 was returned on 11 July 2024 but I understand the rest was lost to the scam. Mrs S says she realised she was being scammed when she was continually asked to pay more and more in fees to withdraw her money.

As part of the scam, Mrs S also says the scammers applied for a loan in her name and without her consent. She says she found out when she received paperwork on 8 July. This amount was used to fund some of the above payments. The loan was part of a separate complaint against Mrs S's bank that was resolved following an assessment by our investigator.

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 Mrs S 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 Mrs S.

Payments 1 and 2

One of the key features of a Revolut account is that it facilitates payments that sometimes involve larger amounts and/or the purchase of cryptocurrency. I must take into account that many similar payment instructions it receives will be entirely legitimate. I'm also conscious this was a new account and there was no history of past activity against which these payments might have looked suspicious.

Having considered what Revolut knew about payments 1 and 2 at the time, including the relatively low amounts involved, I'm not persuaded it ought to have been concerned and I can't say it was at fault for processing them in line with Mrs S's instructions.

Payments 3, 4 and 5

Payment 3 was for a much larger amount and this was Mrs S's third payment to cryptocurrency in only two days. Revolut should have recognised that payments to cryptocurrency carried a higher risk of being associated with fraud and this is the point at which I think it should have begun to suspect Mrs S may be at risk of harm from fraud. It appears Revolut recognised this risk and Mrs S was taken through a series of questions and warning screens setting out some of the common features of investment scams. She was also required to speak to one of Revolut's agents over the telephone.

During the call, the agent explained that there was a high risk this payment was associated with a scam and emphasised the importance of providing accurate information. During the call, Mrs S said she wanted to invest in a particular cryptocurrency and had been doing her own research for some time. When she was asked if anyone had guided her on setting up the account, she said she did it herself but a family member had pointed her in the right direction. The agent closed the call by warning there was little chance of recovering money if this turned out to be a scam.

Mrs S went through a similar process for payment 4 and was again required to speak to an agent on the phone. Again, she was told there was a high risk this payment was part of a scam and reminded of the importance of answering any questions truthfully. She was also told again that there would be little chance of recovering her money if this was part of a scam.

In response to the agent's questions, Mrs S said she'd been following a particular cryptocurrency for several months and had decided now was the time to invest. She again said she'd set up the account on her own but that her son-in-law, who had his own cryptocurrency investments, had given her some advice and recommended the exchange she was using. And when asked, Mrs S also said she hadn't downloaded any screen-sharing software.

The agent then asked for some screenshots to establish the cryptocurrency account she was transferring money to was in her name. Towards the end of the call, Mrs S appeared to become frustrated saying she couldn't do this anymore and that Revolut had all the information it needed and should process the payment. The agent agreed and closed the call by reminding her that there was little chance of recovering the money if it turned out this was a scam. Mrs S confirmed she understood this.

When Mrs S gave the instruction for payment 5, she was taken through the same series of questions and warning screens in the app and was again required to speak to an agent over the telephone. The call initially followed a similar pattern with Mrs S being told there was a high risk this was part of a scam and reminded of the importance of answering truthfully.

In answer to the agent's questions, Mrs S said she'd been investing in cryptocurrency for up to a year and that she wasn't receiving help from an adviser, only her son-in-law who'd previously invested in cryptocurrency. Towards the end of the call, the agent took time to set out some common themes Revolut has seen in recent investment scams. They said:

- *fake investment schemes advertise high profits;*
- *victims are often provided with financial advisers to guide them through the process;*
- *scammers tell victims to download software that allows them sight and control of their devices – no legitimate investment platform would do this;*
- *scammers may pressure people to send money;*
- *scammers may tell people what to say to their bank if asked about payments and to hide their real purpose;*
- *victims may be added to a chat group containing other 'investors';*
- *scams sometimes allow victims to withdraw money initially;*
- *legitimate investment schemes won't ask investors to pay fees to withdraw their money; and*
- *scammers might impersonate genuine institutions.*

The call ended with the agent repeating that this could be part of a scam and reminding Mrs S that she was unlikely to get her money back if this was the case. She confirmed that she accepted this.

These calls were accompanied by in-app chats with the agents and, on 11 and 12 July, Mrs S was asked what she planned to do with the cryptocurrency she purchased. She answered that she planned to hold it for the long-term.

The success of any fraud intervention depends to some extent on the co-operation of the consumer to help the business understand whether a scam is likely to be taking place and if so what type of scam, so it can provide appropriate and relevant warnings. In this case, Mrs S consistently provided information to Revolut's agents that wasn't accurate. In particular, she said she hadn't downloaded any software and *that she wasn't dealing with an adviser and had done everything herself only with some help from a family member. She also said she was planning to hold the cryptocurrency being purchased for the longer term and not that she'd be passing it onto an investment company to trade on her behalf.*

When she notified Revolut that she'd been scammed, Mrs S admitted this information wasn't correct and said she'd been coached by the scammer on how to answer any difficult questions she was asked about the payments. The answers she appears to have been told to give all had the effect of making the payments appear less concerning to Revolut.

Nonetheless, Revolut did identify Mrs S may be falling victim to an investment scam. In addition to the warning screens shown in the app that set out some of the features of investment scams, the agent in the third call (in relation to payment 5) in particular gave a comprehensive list of many common features that it sees in this type of scam. Mrs S should have recognised many aspects of her situation in this list but unfortunately this doesn't appear to have resonated with her.

It's clearly unfortunate that Mrs S chose to accept what the scammer was telling her, even after she discovered he'd taken out a loan in her name and without her consent, rather than co-operate fully with Revolut's enquiries and take notice of its repeated warnings about investment scams. In the circumstances, I'm satisfied Revolut carried out broadly reasonable and proportionate interventions across payments 3 to 5 and I don't think it could reasonably have been expected to do much more than it did. But it appears that at the time Mrs S was firmly under the scammer's spell and was intent on making the payments regardless.

Payments 5 to 8

Revolut didn't ask to speak to Mrs S in connection with payments 5 to 8. While I think it would understandably have taken some reassurance from the outcome of its earlier interventions, I think there is an argument that it should have contacted Mrs S about these payments as well. But after reviewing what had taken place before and considering the level of influence the scammer appears to have had, I've no reason for thinking the outcome of any additional intervention would have been successful in uncovering the scam and preventing further losses.

I want to be clear that it's not my intention to suggest Mrs S 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 Mrs S's losses once it was aware the payments were the result of fraud.

I understand Mrs S first notified Revolut of the fraud on 24 July 2024, a week 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 money being recovered successfully after this period of time.

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

In conclusion

I recognise Mrs S 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 currently think any further intervention by Revolut would have made a difference to the eventual outcome and I don't propose to tell it to make any refund.

The responses to my provisional decision

Mrs S has made further comments, most of which relate to a separate complaint about her bank regarding the loan that she doesn't think should have been approved. Revolut had nothing to add to my provisional 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.

Having done so, my findings haven't changed from those I set out previously.

I was sorry to hear of the personal difficulties being experienced by Mrs S and her family at this time and I wish her all the very best as she continues to deal with these. But the issue I have to address in deciding this complaint is whether the actions of Revolut are responsible for her losses resulting from the scam and, for the reasons I've set out, I don't think I can reasonably reach that conclusion.

I am aware Mrs S has some residual concerns about the actions of her bank but it's not appropriate for me to comment on these here as this decision relates solely to her dispute with Revolut. I can see that our investigator has contacted her separately about these issues.

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 Mrs S to accept or reject my decision before 28 August 2025.

James Biles
Ombudsman