DRN-5746137

The complaint

Mr D, via a representative, has complained that Revolut Ltd ("Revolut") failed to refund the money he lost as part of an investment scam.

What happened

The details of this complaint are well known to both parties, so I will not repeat everything again here. Instead, I will focus on giving the reasons for my decision.

In summary though, Mr D came across an advert for a company that purported to be a crypto investment firm that I will call B. This advert was fronted by a deep fake of a well-known celebrity.

Mr D then made over 25 payments from his Revolut account to B, via a crypto exchange by debit card payment. The payments made from Mr D's Revolut account totalled around £400,000 and took place between 22 November 2022 and March 2023.

Mr D realised he had been scammed when he was unable to withdraw his profits and was told he would need to pay additional fees to do so. Mr D asked Revolut to refund these payments, as he believes Revolut should have done more to prevent him from being scammed in the first place. Revolut did not agree with this.

One of our investigators looked into this matter and he thought that any intervention from Revolut would not have stopped the scam. He therefore did not uphold this complaint.

Mr D did not agree with this and therefore his complaint has been passed to me to issue a 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, I agree with the conclusions reached by the investigator for the following reasons.

In deciding what's fair and reasonable, I am required to take into account relevant law and regulations, regulators' rules, guidance and standards, and codes of practice; and, where appropriate, I must also take into account what I consider to have been good industry practice at the time.

Where the evidence is incomplete, inconclusive or contradictory (as some of it is here), I reach my decision on the balance of probabilities – in other words, on what I consider is more likely to have (or would have) happened, in light of the available evidence and the wider circumstances.

In broad terms, the starting position is that Revolut is expected to process payments and withdrawals that a customer authorises it to make. This should be in accordance with the Payment Services Regulations (in this case the 2017 regulations) and the terms and conditions of the customer's account.

However, taking into account relevant law, regulatory 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 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 its customers were at risk of fraud (among other things). 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;

• have acted to avoid causing foreseeable harm to customers, for example by maintaining adequate systems to detect and prevent scams and by ensuring all aspects of its products, including the contractual terms, enabled it to do so;

• 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 – (as in practice Revolut sometimes does); and

• have been mindful of – among other things – common scam scenarios, how the 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.

Revolut did intervene and asked questions about the transactions that Mr D was making. From what I can see about these interventions, I don't think that the questions asked about the payments were sufficient in the circumstances. I think further questions should have been asked. That said, I don't think that this would have stopped the scam. I say this for the following reasons.

My understanding is that Mr D has indicated that the scammer was answering the questions on his in- app chat with Revolut via a screen sharing application. Based on what I can see I am not sure if that was the case as Mr D provided photos of himself promptly when asked to by Revolut. There is also a lack of communication provided between the scammer and Mr D to show who was answering the questions, though this seems to be due to most of the interactions being via telephone.

Regardless of this, the person answering the questions asked by Revolut seems to have been aware that, if they gave accurate answers as to what they were doing, the payments might be stopped. This is demonstrated by misleading answers being provided to Revolut. For example, when questioned whether remote access had been installed it was confirmed that it had not been. And when asked if someone had asked Mr D to open a Revolut account, the answer provided was no - both of which were not accurate answers.

I also note that during a call with Mr D's other current account provider late on in the scam, Mr D provided answers that were not entirely accurate. I note Mr D's representative's suggestions that these answers were accurate. I am not persuaded by this, such as when Mr D was asked if he had sought financial advice, he mentioned he had an financial adviser. Whilst technically accurate, as he did have one, it is clear that this question is asking if he had sought financial advice about this specific investment - not if he had a financial advisor in general. Answering that he had a financial advisor is clearly suggesting that he had sought advice from the advisor in relation to the specific investment.

Also, when asked if Mr D had seen an advert for a get rich quick scheme or offered returns too good to be true on social media fronted by a celebrity, he said no. Mr D's representative has said that this is true because he did not think of the investment as a get rich quick scheme with returns too good to be true. Technically this is correct but given that he had seen an advert online promising good investment returns fronted by a celebrity I think most people would have answered this question as yes in such circumstances. This taken together with other questions asked suggest that Mr D was answering questions in a way designed to obfuscate what he was doing to prevent the payments from being stopped.

This suggests that had further questions been asked that answers designed to allow the payments to proceed would likely have been provided. As Revolut was only required to take proportionate steps to try and protect Mr D from financial harm. I'm not persuaded that information would've been shared that would have concerned Revolut had it asked more questions about what Mr D was doing. So overall, I think that Revolut should have intervened more than it did. But I do not think that this would have likely stopped or uncovered the scam.

I've also thought about whether Revolut could have done more to recover the funds after Mr D reported the fraud.

Revolut are under no obligation to refund the money under the Contingent Reimbursement Model (CRM) Code. This is because Revolut are not signatories of the code. I also don't think that a chargeback would have been provided as the payments were to essentially send funds from Revolut to the crypto exchange and this is what happened. So I don't think that there would be any grounds to challenge the payments.

I appreciate this will likely come as a disappointment to Mr D, and I'm sorry to hear he has been the victim of a cruel scam. However, whilst I have a great deal of sympathy for the situation that Mr D found himself in, I'm not persuaded that Revolut can fairly or reasonably be held liable for his loss in these circumstances.

My final decision

For the reasons given above, I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 24 September 2025.

Charlie Newton
Ombudsman