

## **The complaint**

Mr A has complained about Revolut Ltd not refunding several payments he says he made and lost to a scam.

## **What happened**

The background to this complaint is well known to both parties, so I won't repeat it in detail here. In summary, Mr A fell victim to an investment scam in February 2023 after browsing online. He saw a pop up for a cryptocurrency trade company and registered his interest. A scammer then contacted him and Mr A provided his information as part of a know your customer procedure. He was also required to download screensharing software and then given access to the trading portal. Mr A says having his own unique account provided him with a false sense of security over his funds. However, when he wished to withdraw his profit, he was informed he had to pay taxation fees. After sending further funds he still was unable to withdraw and decided not to proceed. Subsequently, he was unexpectedly contacted by a scammer, pretending to be from another company, saying he could recover the funds for a fee. So, Mr A sent further funds.

Mr A subsequently realised he had been scammed after reviewing an online article which said the legitimate company, which he thought he was dealing with, would never call unexpectedly. One of Mr A's family members then confirmed he had been scammed. Mr A complains he sent, via Revolut, more than £15,000 to the scammers between 14 February 2023 and 10 July 2023. He holds Revolut liable for his full loss.

Revolut didn't reimburse Mr A's lost funds and so he referred his complaint to us. Our Investigator looked into things but didn't recommend the complaint be upheld. They believed that Revolut should have intervened with warnings. However, they weren't persuaded on balance that Revolut could have prevented Mr A from falling victim to the scam. As our Investigator couldn't resolve the matter informally, the case has been passed to me for a final 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 aware that I've summarised this complaint briefly, in less detail than has been provided, and in my own words. No discourtesy is intended by this. Instead, I've focused on what I think is the heart of the matter here. If there's something I've not mentioned, it isn't because I've ignored it. I'm satisfied I don't need to comment on every individual point or argument to be able to reach what I think is the right outcome. Our rules allow me to do this. This simply reflects the informal nature of our service as a free alternative to the courts.

I don't doubt Mr A has been the victim of a scam here – he has lost a large sum of money and has my sympathy for this. However, just because a scam has occurred, it does not mean Mr A is automatically entitled to recompense by Revolut. It would only be fair for me to

tell Revolut to reimburse Mr A for his loss (or a proportion of it) if: I thought Revolut reasonably ought to have prevented all (or some of) the payments Mr A made, or Revolut hindered the recovery of the payments Mr A made – whilst ultimately being satisfied that such an outcome was fair and reasonable for me to reach.

I've thought carefully about whether Revolut treated Mr A fairly and reasonably in its dealings with him, when he made the payments and when he reported the scam, or whether it should have done more than it did. Having done so, I've decided to not uphold Mr A's complaint. I know this will come as a disappointment to Mr A and so I will explain below why I've reached the decision I have.

I have kept in mind that Mr A made the payments himself and the starting position is that Revolut should follow its customer's instructions. So, under the Payment Services Regulations 2017 (PSR 2017) he is presumed liable for the loss in the first instance. I appreciate that Mr A did not intend for his money to ultimately go to fraudsters – but he did authorise these payments to take place. However, there are some situations when an electronic money institution should have had a closer look at the wider circumstances surrounding a transaction before allowing it to be made.

Considering the relevant: law and regulations; regulators' rules, guidance and standards; codes of practice; and, where appropriate, what I consider to be good industry practice at the time - Revolut should fairly and reasonably:

- Have been monitoring accounts and any payments made or received to counter various risks, including anti-money laundering, countering the financing of terrorism, and 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 payment service providers are generally more familiar with than the average customer.
- In some circumstances, irrespective of the payment channel used, have taken additional steps, or make additional checks, before processing a payment, or in some cases decline to make a payment altogether, to help protect customers from the possibility of financial harm from fraud.

So, I've thought about whether the transactions should have highlighted to Revolut that Mr A might be at a heightened risk of financial harm due to fraud or a scam.

As this was a newly opened account Revolut did not have the account history available to consider if such transactions were unusual of Mr A. However, that does not mean it should not have been monitoring Mr A's accounts for payments that may be of concern. This does not mean just because the payments went to a cryptocurrency provider that they should automatically be treated as suspicious.

I do not think the value of Mr A's first payment was remarkable enough to have caused Revolut any concern. Nor do I consider there were any wider red flags that Mr A may be at risk of financial harm. However, I do agree with our Investigator that the subsequent two payments should have triggered Revolut's system to issue warnings to him. Considering the elevated risk of cryptocurrency scams it should have displayed a tailored written cryptocurrency investment scam warning.

However, whilst this is a finely balanced set of circumstances, I do agree with our Investigator that such warnings were unlikely to stop Mr A from proceeding. I say this because Mr A was reverting to the scammer, speaking with them over the phone and giving

updates of the transfer progress with his other bank (“B”) at around the same time of these payments to the cryptocurrency exchanges. When B declined his payment, he informed the scammer of this and was advised to call B. The scammer and Mr A continued to speak over the phone, including on the day of the second payment – with the scammer making it clear not to delete the screensharing software Mr A had downloaded. The following day, when payment three occurred, Mr A again reverted to the scammer to confirm B had still not released his funds. The scammer then advised Mr A to contact the bank again, which he did and was able to alleviate B’s concerns to have his funds released. In these calls Mr A was not forthcoming with the full details of what was occurring, only sharing details of Revolut and the cryptocurrency exchange – not the third-party scammer. When B asked for confirmation no-one was pressuring him to make this payment, which would have given him the opportunity to add anything further, Mr A did not share any details.

Although I cannot be sure what was said during Mr A’s telephone calls with the scammer, it seems most likely that he was being given some level of guidance and was under the scammer’s influence. Had Mr A not been convinced by what the scammer was saying it seems unlikely he would have continued sending funds, or chosen not to be forthcoming when speaking with B. As the scammer also made a point of informing Mr A not to delete the screensharing software, it suggests this was also very much still being used for the scammer to guide him.

Therefore, with the above in mind, it seems likely Mr A would have continued reverting to the scammer as different obstacles arose. I’m persuaded the scammer would then have sought for a way to reassure and guide Mr A to still make the payments. Consequently, I do not think any other subsequent intervention would have broken the scammer’s influence either. Even where Mr A was given the option to select the reason on another of his payments he selected the investment option, rather than the cryptocurrency one which is what he thought he was investing in, and proceeded to make the payment past the scam warning given.

The repercussions such a cruel scam has had on Mr A is not something I have overlooked when reaching my decision. However, I have not seen a pattern emerge that would have highlighted to Revolut that Mr A’s age was impairing his decision-making during this scam. I am empathetic towards him, but I do not consider this, in isolation of any other clear indicators of a potential risk of financial harm, to be something that should have triggered further red flags for Revolut.

I’ve noted Mr A has referenced decisions that he believes are close to his circumstances. However, we consider each case on its own individual merits and although he believes the circumstances of these other complaints to be similar, there are key differences.

Consequently, whilst Mr A has undoubtedly been the victim of a cruel scam, I can only uphold his complaint if I’m satisfied Revolut’s failing to intervene earlier made a material difference to what happened. Ultimately, for the reasons given, I’m not persuaded it did.

### Recovery

The only method of recovery Revolut has for payments made by card is to request a chargeback. However, Mr A didn’t make the debit card payments to the scammers directly, he paid a cryptocurrency exchange. The service provided by the cryptocurrency exchange would have been to convert or facilitate conversion of Mr A’s payments into cryptocurrency. The fact that the cryptocurrency was later transferred elsewhere – to the scammers – doesn’t give rise to a valid chargeback claim against the merchant Mr A paid. As the cryptocurrency exchanges provided the requested service to Mr A any chargeback attempt would most likely fail. So, I do not think Revolut acted incorrectly here.

In relation to the other payments Mr A made, it's important to note he didn't instruct Revolut to send the money directly to the scammers. Mr A completed transfers directly to his own account within the cryptocurrency exchange. These funds were then sent on to a wallet address provided by the scammers. Revolut would only ever have been able to attempt to recover the funds from the wallet where they were originally sent, not from the scammer's wallet. Therefore, as no funds remained, I won't be asking Revolut to do anything further.

So, in light of all of the above findings, there's no fair and reasonable basis under which I can ask Revolut Ltd to reimburse Mr A's loss.

### **My final decision**

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 15 September 2025.

Lawrence Keath  
**Ombudsman**