

The complaint

Miss C complains that Revolut Ltd didn't do enough to protect her from the financial harm caused by an investment scam, or to help her recover the money once she'd reported the scam to it.

What happened

The detailed background to this complaint is well known to both parties. So, I'll only provide a brief overview of some of the key events here.

Miss C was introduced by a friend to Company H. The friend said he'd made good returns by investing in cryptocurrency, that he'd been able to make withdrawals from the platform, and that she could make returns of up to four times her investment.

Miss C saw positive reviews online and was given a 'white paper' which explained how the company worked, and how it was planning to expand in the years to come. She was required to first purchase cryptocurrency through cryptocurrency exchange companies and then load it onto online wallet. Between 17 May 2022 and 1 October 2022, Miss C made two card payments and two faster payments from her Revolut account totalling £4,743.80. She also made payments from Bank S, and received £27,828.86 credits into Bank S.

Miss C was added to a group chat with other investors and could see the funds in her trading account. She successfully made withdrawals, but she realised she'd been scammed when the withdrawal process became difficult, and she was no longer able to withdraw funds from the platform. She complained to Revolut, but it said that the chargeback claims were rejected because the card payments were validated via 3DS, and it provided sufficient warnings.

Miss C wasn't satisfied and so she complained to this service with the assistance of a representative who said Revolut missed an opportunity to question Miss C about the payments and had it done so, she'd have explained why she was making the payments and listened to scam advice.

Responding to the complaint, Revolut said Miss C was shown a new payee warning, the card payments were verified via 3DS, she paid accounts in her own name and the account opening purpose was 'transfers'. It also said the cryptocurrency platforms were the final stage in the payment journey before Miss C subsequently lost control of the funds. And she had contributed to her own loss.

Our investigator didn't think the complaint should be upheld. She didn't think the first three payments were concerning because they were low value. And while the final payment was higher, she didn't think it warranted an intervention. She further explained that even if Revolut had intervened, she didn't think it would have made a difference because it would have given a general warning about scams. And she didn't think a more tailored warning about cryptocurrency investment scams would have resonated with Miss C because she was introduced to the opportunity by a friend, she wasn't asked to download remote access software, she'd done research, and she'd received credits from the investment.

Finally, she explained that a chargeback claim wouldn't have been successful because Miss C received the service she paid for, and the recovery attempt was unsuccessful. And she didn't think she was entitled to any compensation.

Miss C has asked for her complaint to be reviewed by an Ombudsman. Her representative has argued that the faster payment of £4,700 on 1 October 2022, was unusual and should have resulted in thorough questioning which might have revealed the scam. They've suggested that if Revolut had asked Miss C what research she'd done, it would have revealed the FCA warning dated 23 March 2021.

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 reached the same conclusion as our investigator. And for largely the same reasons. I'm sorry to hear that Miss C has been the victim of a cruel scam. I know she feels strongly about this complaint, and this will come as a disappointment to her, so I'll explain why.

I'm satisfied Miss C 'authorised' the payments for the purposes of the of the Payment Services Regulations 2017 ('the Regulations'), in force at the time. So, although she didn't intend the money to go to scammers, under the Regulations, and under the terms and conditions of her bank account, Miss C is presumed liable for the loss in the first instance.

There's no dispute that this was a scam, but although Miss C didn't intend her money to go to scammers, she did authorise the disputed payments. Revolut is expected to process payments and withdrawals that a customer authorises it to make, but where the customer has been the victim of a scam, it may sometimes be fair and reasonable for the bank to reimburse them even though they authorised the payment.

Prevention

Revolut was an emoney/money remittance provider at the time these events took place and so it wasn't subject to all of the same rules, regulations and best practice that applied to banks and building societies. But it was subject to the FCA's Principles for Businesses and BCBS 2 and owed a duty of care to protect its customers against the risk of fraud and scams so far as reasonably possible.

I've thought about whether Revolut could have done more to prevent the scam from occurring altogether. Buying cryptocurrency is a legitimate activity and from the evidence I've seen, the payments were made to genuine cryptocurrency exchanges. However, Revolut ought to fairly and reasonably be alert to fraud and scams and these payments were part of a wider scam, so I need to consider whether it ought to have intervened to warn Miss C when she tried to make the payments. If there are unusual or suspicious payments on an account, I'd expect Revolut to intervene with a view to protecting Miss C from financial harm due to fraud.

The payments didn't flag as suspicious on Revolut's systems. I've considered the nature of the payments in the context of whether they were unusual or uncharacteristic of how Miss C normally ran her account, and I think they were. All the payments were to legitimate cryptocurrency exchange companies, and the first three payments were low value, so Revolut wouldn't have needed to intervene. By the time of the fourth payment, Miss C had

made three previous payments to cryptocurrency and in 2022 we wouldn't necessarily expect Revolut to have intervened for a payment of this value.

But, even if it had intervened, I would only expect it to have shown a written warning tailored to cryptocurrency scams and I don't think this would have resonated with Miss C because none of the usual red flags were present – she'd been introduced to the investment by someone she knew and trusted and who she believed had successfully withdrawn funds, and, crucially, she'd made some large withdrawals from the platform. So, I don't think a written warning would have resonated with Miss C.

I'm sorry to hear Miss C has lost money and the effect this has had on her. But for the reasons I've explained, I don't think Revolut is to blame for this and so I can't fairly tell it to do anything further to resolve this complaint.

Recovery

I don't think there was a realistic prospect of a successful recovery because Miss C paid accounts in her own name and moved the funds onwards from there.

I've also thought about whether Revolut could have done more to recover Miss C's payments when she reported the scam to it. Chargeback is a voluntary scheme run by Visa whereby it will ultimately arbitrate on a dispute between the merchant and customer if it cannot be resolved between them after two 'presentments'. Such arbitration is subject to the rules of the scheme — so there are limited grounds on which a chargeback can succeed.

Our role in such cases is not to second-guess Visa's arbitration decision or scheme rules, but to determine whether the regulated card issuer (i.e. Revolut) acted fairly and reasonably when presenting (or choosing not to present) a chargeback on behalf of its cardholder (Miss C).

Miss C's own testimony supports that she used cryptocurrency exchanges to facilitate the transfers. It's only possible to make a chargeback claim to the merchant that received the disputed payments. It's most likely that the cryptocurrency exchanges would have been able to evidence they'd done what was asked of them. That is, in exchange for Miss C's payments, they converted and sent an amount of cryptocurrency to the wallet address provided. So, any chargeback was destined fail, therefore I'm satisfied that Revolut's decision not to raise a chargeback request against either of the cryptocurrency exchange companies was fair.

Compensation

The main cause for the upset was the scammer who persuaded Miss C to part with her funds. I haven't found any errors or delays to Revolut's investigation, so I don't think she is entitled to any compensation.

My final decision

For the reasons I've outlined above, my final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss C to accept or reject my decision before 10 December 2025.

Carolyn Bonnell
Ombudsman

