

## The complaint

Mr K has complained that Revolut Ltd won't refund money he says he lost to a scam.

## What happened

Mr K says he saw an advertisement about online investments on the internet in May 2022. As Mr K was looking for an extra source of income, he was interested in the advert, so he responded to the advert and left his contact details.

The scammer contacted Mr K via telephone and discussed the 'investment' and introduced Mr K to the platform. Mr K said he looked into the investment and didn't find any negative reviews so proceeded to 'invest'. He made payments from 21 June 2022 until 26 August 2022. Mr K says he began to see a return on his investment and as such made further payments. It was only when Mr K asked to withdraw his 'profits' and couldn't he realise he had been scammed.

Revolut has said it was unaware of Mr K's complaint until 17 May 2024. However, it said it was satisfied how it responded to Mr K's complaint and didn't consider it was required to refund Mr K's loss.

Mr K remained unhappy and referred the complaint to our service. Our investigator looked into the complaint but didn't recommend it be upheld. While he felt the payment Mr K made on 13 July 2022 ought to have triggered Revolut's fraud detection systems, he was satisfied that even if Revolut had intervened, it wouldn't have prevented Mr K's loss. This was based on the fact Mr K had provided inaccurate information about what the payment was for, when a third party bank intervened, as such, our investigator felt Mr K would provide the same inaccurate information to Revolut and denied Revolut the opportunity of identifying the scam.

Mr K's representative disagreed. It said, while Mr K did provide the third party with inaccurate information regarding the purpose of the payment, he wouldn't have done the same with Revolut. As the scammer assured Mr K that Revolut was 'crypto' friendly. Secondly, Revolut would have known the final destination of the payment as such, Mr K couldn't use the same reasons as he did for the purpose of the payment with the third party. As Mr K remained unhappy the complaint was passed to me to consider.

I issued my provisional findings on 19 August 2025, where I said:

*"I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint."*

*I'm very 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 focussed 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 haven't. 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."*

*In broad terms, the starting position in law is that an EMI is expected to process payments that their customer authorises them to make. It isn't disputed that Mr K authorised the payments from his Revolut account. Therefore, under the Payment Services Regulations and the terms of her account, Revolut is expected to process Mr K's, 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 June 2022 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;*
- 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 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.*

*Our service has referenced the relevant rules, codes of practice and good industry practice at the time, in many previous decisions published on our website.*

*Mr K opened his account 5 November 2020, therefore, as this was some time prior to the scam commencing, Revolut would have had enough information to establish Mr K's usual spending pattern. Mr K made several payments (prior the payment he made on 13 July 2022 of £4,998) to the scam. However, based on the payment value and the time the payments were made, I'm satisfied it wouldn't be reasonable to have expected Revolut's systems to have been triggered by payments prior to the payment he made on 13 July 2022.*

*While I accept that the amount of money Mr K sent is clearly significant to him, this doesn't in itself suggest a heightened risk of fraud. On balance, taking into account that Revolut needs*

*to take an appropriate line between protecting against fraud and not unduly hindering legitimate transactions, and also considering the value and pattern of these payments, I don't think Revolut ought to have been sufficiently concerned about these payments. Therefore, it would not be fair and reasonable to expect it to have intervened to Mr K at this point.*

*On 13 July 2022, Mr K made a payment for £4,998. It was larger than any other payment that had debited Mr K's account and was identifiable cryptocurrency. I accept that some of the previous transactions on Mr K's account were to cryptocurrency exchanges, I accept the subsequent cryptocurrency purchase would not have been entirely out of character.*

*However, in comparison with the previous transactions, this payment was an escalating payment of an increased value being a potential indicator of fraud. Therefore, in my view, there was enough about the characteristics of this transaction and the activity on Mr K's account that ought to have been concerning; such that Revolut should have intervened at that time to indicate he could be at risk of fraud. So, I am satisfied that it is fair and*

*reasonable to conclude that Revolut should have intervened before this payment went ahead.*

*With that in mind, I have gone on to consider what I think would have been a proportionate intervention at that time. Our investigator has stated that it would have been proportionate for Revolut to have provided a warning that was specific to a cryptocurrency scam and should have made more specific enquiries with Mr K about the purpose of the payments before allowing them to be made.*

*I disagree. I've thought carefully about what a proportionate warning in light of the risk presented would be in these circumstances given when the scam occurred. In doing so, I've taken into account that many payments that look very similar to this one would have been genuine. I've given due consideration to Revolut duty to make payments promptly, as well as what I consider having been good industry practice at the time this payment was made. And I have taken into consideration this payment was made to a cryptocurrency provider, but at the time these payments were made, I think is reasonable for Revolut to take into account a range of factors when deciding what a proportionate intervention was in relation to a particular payment.*

*Taking that into account, I think Revolut ought, when Mr K attempted to make the payment on 13 July 2022, to have provided a general scam warning. This is based on when the scam occurred, the risk is presented and the fact that there had been payments made previously to the same crypto account.*

*So, I have considered if a general scam warning would have made a difference, and I don't think it would have. I say this because Mr K's representative has said that Mr K was very impressed by the scam platform, the ongoing support from the scammer and the scammers knowledge. To the extent he was allowing the scammer to coach him on what to say to third party banks. Mr K had carried research out on the cryptocurrency platform as such was convinced the scam was legitimate. Therefore, I am not persuaded that a general scam warning (which would have been proportionate at that time) would have dissuaded him from investing. It wouldn't have highlighted anything, which Mr K wasn't already aware of at that time or that the scammer couldn't have offered Mr K assurances on.*

*In other words, whilst Revolut didn't intervene at the point of the transaction made on 13 July 2022, I don't think a general warning from it would have made a difference to Mr K. Any failings by Revolut were not the dominant, effective cause of his loss.*

*I am aware that Mr K's representative has raised many valid points in response to the investigator's opinion. And while I agree that the information Mr K provided to the third party bank wouldn't have been plausible if Revolut had asked Mr K the same question (as Revolut would have been aware the transaction was for crypto). And that the scammer had coached Mr K on what to say to the third-party bank but had no need to with Revolut, as the scammer has assured him Revolut was 'crypto friendly'. This is irrelevant, as in order for Revolut to gather this information from Mr K, I would be making the finding that human intervention was required, or an automated warning where the business would be asking specific questions in order to establish the scam risk. However, as I have already explained, based on the time the payments were made, I think a generic warning would have been proportionate.*

*I've also looked at whether Revolut took the steps it should have once it was aware that the payments were the result of fraud. As some of the payments were made by debit card the chargeback process is relevant here. The chargeback scheme is a voluntary agreement between card providers and card issuers who set the scheme rules and is not enforced by law.*

*A chargeback isn't guaranteed to result in a refund, there needs to be a right to a chargeback under the scheme rules and under those rules the merchant or merchant acquirer can defend a chargeback if it doesn't agree with the request. Unfortunately, the chargeback rules don't cover scams. However, due to when the scam occurred verses when it was reported to Revolut, recovery attempts failed. While Revolut attempted a chargeback it was rejected as the claims fell outside of the chargeback protection period of 120 days from the dispute.*

*In regards to the payments which were made via transfer, again, due to the time that had passed since the scam occurred, and the nature of the scam and where the money was transferred to, I am satisfied it was always unlikely the funds would have been recoverable. I note that Mr K has said that he wants £250 compensation for the distress and inconvenience caused. Whilst I don't dispute Mr K would have felt distressed and inconvenienced by the scam he fell victim to, I haven't seen any evidence to persuade me that Revolut should pay Mr K compensation as a result.*

### **My provisional decision**

*My provisional decision is that I don't uphold this complaint."*

Revolut didn't respond but Mr K's representative said it didn't agree with my provisional findings. However, it didn't provide any new comments or evidence for me to consider.

### **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.

As no further evidence or new comment have been submitted for me to consider, it follows that my decision remains the same as I outlined in my provisional findings.

### **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 K to accept or reject my decision before 17 October 2025.

Jade Rowe  
**Ombudsman**