

The complaint

Mr A complains that Revolut Ltd ('Revolut') won't refund the money he lost to an investment scam.

He's represented by a firm of solicitors. To keep things simple, I'll refer to Mr A throughout this decision.

What happened

The background is known to both parties, so I won't repeat all the details. In summary, Mr A says he was introduced to an investment opportunity with a crypto-investment scheme ('X') by a friend who was also taking part. He understood X would provide returns of 0.5% per day and that other friends and acquaintances who'd invested had withdrawn such profits.

Believing that X was a legitimate opportunity, he began making payments for 'investment'. The funds were sent from Mr A's account with his personal bank ('F') to his newly opened Revolut account. From there the money was sent to his account with a crypto-platform ('C') for the purchase of cryptocurrency. This cryptocurrency was sent on to X and lost to the scam. He realised he'd been scammed when he was unable to withdraw his funds. By that time, about £8,400 had been sent from Revolut on 20 and 21 October 2021.

A complaint was made to Revolut in April 2024 and then referred to our Service. Our Investigator considered it and didn't uphold it. In his view, Revolut should probably have provided Mr A with a written warning, broadly covering general scam risks, on Mr A's larger payment of £6,351 on 21 October 2021. But he thought it was unlikely such a warning would have been enough to stop the scam given the circumstances in which the 'investment' came about and Mr A proceeded with payments despite an earlier investment warning from F.

As the matter couldn't be resolved informally, it's been passed to me to decide.

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 conclusions as the Investigator. These are the key reasons for my decision.

Authorisation

The starting position is that liability for an authorised payment rests with the payer, even where they're tricked into making that payment. It isn't in dispute that Mr A made the payments in question, so under the relevant rules (the Payment Services Regulations 2017) they were authorised and Mr A is presumed responsible for his losses in the first instance.

Triggers

There are some situations where I consider that a firm (like Revolut) taking into account

relevant rules, codes and best practice, should reasonably have taken a closer look at the circumstances of a payment – if, for example, it's particularly suspicious.

In this case, I don't think there was enough about the first three payments for Revolut to have been concerned Mr A was at a heightened risk of financial harm from fraud. And while Revolut should probably have stepped in on Mr A's largest payment, on 21 October 2021, I'm not persuaded the risk was such that an intervention needed to go beyond a written warning. There's a balance firms need to strike when deciding if and how to intervene on possible scam payments and ensuring minimal disruption to legitimate ones.

In my view, considering the payment value, when it was made, and who it was made to, a written warning would have been a proportionate response to the payment risk presented at the time. In reaching this view, I'm also mindful the account was newly opened so Revolut had limited information on which to assess if the activity was significantly unusual.

I've thought carefully about whether the level of intervention I'd have expected would have stopped Mr A from 'investing' with X – and, on balance, I'm not convinced it would have.

This is partly because Mr A has himself described the circumstances in which the opportunity with X came about. He's told us he was introduced to it by a "trusted friend" who had also invested and helped him set up and manage the account. He's said he also knew of many other friends who'd themselves invested and had successfully made and withdrawn the kind of returns he says he was promised. He's also told us he did some due diligence into X but didn't find any red flags. I think it's questionable, given this background, that a written warning would have been enough to make Mr A think X may be a scam.

I also note when F blocked one of the payments that funded the Revolut account, it provided Mr A with a written warning, like the one I'd reasonably have expected from Revolut at the time. This read: "*Fraudsters are contacting people offering investments that sound genuine. Take extra care, especially if you receive a call after searching online for investments or filling in an online form. Fraudsters may try to pressure you into investing...Before you do anything, always check the firm is registered on the FCA website and call them on the number listed with the FCA to check the person you're dealing with is genuine*".

It's not clear if the 'due diligence' Mr A has said he carried out before 'investing' involved checking the FCA's register as set out in F's warning. But if it did, he'd have seen the FCA had published a notice about X at the time. And I'd be unable to find such a warning would have been enough to prevent his losses given he went on to make payments in any event. If it didn't, then I think it's unlikely he'd have done so on the back of a similar warning from Revolut. Either way, this supports the view that a written warning from Revolut wouldn't have stopped Mr A from going ahead with payments – again bearing also in mind how he was introduced to X and his knowledge of others having withdrawn 'profits' as expected.

As for Mr A's comments that a warning from Revolut, *in addition to F's*, would have made him reconsider his options, I can accept that's a possibility. But I don't consider it's the more likely scenario. I'm not aware, for example, of a significant change in circumstances or in his knowledge about X, such that he'd have likely reacted differently to a similar warning second time round, only a matter of days later. And I'm not convinced Mr A would have paid more attention to a warning from Revolut than the one he had already received from F, given also that F was his personal bank with which he had a longer relationship.

This isn't a decision I've made lightly. I'm very sorry Mr A lost his money in the way he did and I can understand why he wants to do all he can to recover it. But, for me to uphold this complaint, requires more than a finding that Revolut should have done more. I'd need to be satisfied that a proportionate intervention would have likely exposed the scam or stopped

him from making his payments. For the reasons I've given, I'm not persuaded it would have.

For completeness, in his initial submissions, Mr A referred to the Lending Standards Board Contingent Reimbursement Model Code (CRM Code). However, this was a voluntary code and Revolut wasn't a signatory. It doesn't apply here. And, in terms of recovery, I'm satisfied there was little Revolut could have done. For the card payments, a chargeback is unlikely to have succeeded given there's no dispute that the crypto-platform provided its services as intended. For the transfer, those funds had already been sent on to X by the time the matter was reported. If any remained, Mr A would have been able to access them himself.

My final decision

For the reasons I've given, 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 6 November 2025.

Thomas Cardia
Ombudsman