

The complaint

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

What happened

Mr M has said he saw an online advertisement and completed a form expressing an interest in oil investments. Off the back of that he received a call from the scammer. He was shown the trading platform, which displayed live trades and appeared highly professional. The website had all the genuine features of a legitimate investment site.

On 24 June 2021, Mr M made an initial payment of £1,000.43 to a cryptocurrency exchange which I will refer to as W. Mr M made several payments to W between 24 and 29 June 2021. Mr M then made a payment of £20 to another cryptocurrency provider which I will refer to as C. He made several payments to C between 8 and 12 July 2021 and then reverted back to sending to W.

Mr M said when the scammer became unresponsive and he could not withdraw his supposed profits that he realised they had been scammed.

The transactions on Mr M's accounts showed as follows:

Date	Payment	Transfer	Amount
24 June 2021	Payment 1	Card Payment	£1,000.43
29 June 2021	Payment 2	Card Payment	£903.02
29 June 2021	Payment 3	Card Payment	£4,515.35
29 June 2021	Payment 4	Card Payment	£2,256.50
29 June 2021	Payment 5	Card Payment	£4,200.44
8 July 2021	Payment 6	Card Payment	£20
8 July 2021	Payment 7	Card Payment	£20
12 July 2021	Payment 8	Card Payment	£10
12 July 2021	Payment 9	Card Payment	£10
13 July 2021	Payment 10	Card Payment	£1,791.53
13 July 2021	Payment 11	Card Payment	£3,583.01
13 July 2021	Payment 12	Card Payment	£1,791.45
13 July 2021	Payment 13	Card Payment	£4,478.58
13 July 2021	Payment 14	Card Payment	£4,433.43
14 July 2021	Payment 15	Card Payment	£2,862.28
		Total	£31,876.02

Mr M raised his concerns with Revolut on 19 April 2020. However, he didn't report the scam until September 2024. Revolut said it hadn't done anything wrong and as such didn't refund the money Mr M lost to the scam. Mr M didn't agree and referred the complaint to our service. Our investigator looked into Mr M's concerns, but he didn't recommend it be upheld. As such, Mr M asked for the complaint to be passed to 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.

Having done so, I agree with the investigator's opinion for broadly the same reasons I will explain why.

In broad terms, the starting position at law is that an Electronic Money Institution ("EMI") such as Revolut is expected to process payments and withdrawals that a customer authorises it to make, in accordance with the Payment Services Regulations (in this case the 2017 regulations) and the terms and conditions of the customer's account.

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 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. 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 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.

Having looked at Mr M's account activity and what Revolut ought to have known about the payments at that time (taking into consideration when the scam occurred) I think the first payment which ought to have caused Revolut concern was payment four, which was made on 29 June 2021, for £2,256.56. I say this because having looked at Mr M's previous account history I am satisfied that while the payment in isolation may not have stood out, when you look at the account activity that day and the total amount sent to W (a cryptocurrency exchange) I am satisfied this was unusual account activity. And while I accept that cryptocurrency scams in 2021 wouldn't have been as prevalent to EMI's as they are today, I am still satisfied the overall account expenditure and activity was unusual.

To be clear, I do not suggest that Revolut should provide a warning for every payment made to cryptocurrency. Instead, as I've explained, I think it was a combination of the characteristics of this payment (combined with those which came before it) which ought to have prompted an intervention.

I've thought carefully about what a proportionate warning in light of the risk presented would be in these circumstances at the time the payments. In doing so, I've taken into account that many payments that look very similar to this one will be entirely genuine. I've given due consideration to Revolut's duty to make payments promptly, as well as what I consider having been good industry practice at the time this payment was made. Given the value of

the payment and the time the payment was made, I think it was proportionate for Revolut to have contacted Mr M with a generic scam warning.

I have considered what I think is most likely to have happened if Revolut had completed an intervention as I have described above. And in doing so, on balance I'm not persuaded that it would have prevented Mr M's losses. I say this because, having reviewed the scam chat provided, it is apparent Mr M trusted the scammer. Mr M's representative has objected to this point, so I have highlighted aspects of the conversation to demonstrate the trust which has been built between Mr M and the scammer.

28 June 2021

Mr M: I trust your endeavours, and I believe that this is to be a most excellent week for us.

There is also evidence to show Mr M was seeking advice from and being coached by the scammer. As such, I think it's more likely than not that even if a generic scam warning was provided, it's unlikely Mr M would have been deterred, as I am persuaded he would have sought guidance from the scammer. This shows how manipulative and convincing the scammer was and unfortunately Mr M was under the spell of the scammer.

I am satisfied that Mr M was more persuaded by the scammer and the returns Mr M believed he had made to the extent Revolut wouldn't have been able to break the spell and unveil the scam. Therefore, I can't reasonably hold Revolut responsible for this. I have gone on to consider if Revolut took reasonable steps to try and recover the funds once it was made aware. As Mr M made the payments via 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.

Revolut would only be able to process chargeback claims against the merchant Mr M paid. The merchant in this case was genuine cryptocurrency exchange. The service provided by the cryptocurrency exchange would have been to convert or facilitate conversion of Mr M's payments into cryptocurrency. Therefore, they provided the service that was requested. I appreciate the cryptocurrency was later transferred to the scammer but that does not give rise to a valid chargeback claim against the merchant Mr M paid. As the cryptocurrency exchange provided the requested service to Mr M any chargeback attempt would have likely failed.

Secondly, the final scam payment was made 21 July 2021, but Mr M didn't report the scam until 15 September 2024. Unfortunately, too much time had passed before the scam was reported to Revolut and I think it's highly unlikely any recovery attempts would've been successful as fraudsters normally remove funds within 24 hours.

Compensation

The main cause for the upset was the scammer who persuaded Mr M to part with his funds. I haven't found any errors with Santander's investigation, so I don't think he is entitled to any compensation.

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 M to accept or

reject my decision before 11 December 2025.

Jade Rowe
Ombudsman