

## The complaint

Mrs W is being represented by solicitors. She's complaining about Revolut Ltd because it declined to refund money she lost as a result of fraud.

## What happened

Sadly, Mrs W fell victim to a cruel investment scam. After responding to an advert on social media promoting returns from investing in cryptocurrency, she was contacted by scammers who told her to install remote access software and then set her up with an account on a fake trading platform that appeared to show trades being placed and profits generated on her behalf. Mrs W already held an account with Revolut and in March and April 2022, she used it to make the following payments to two different cryptocurrency exchanges, after which the currency purchased was transferred to the scammers:

| No. | Date   | Amount £ | Type     |
|-----|--------|----------|----------|
| 1   | 14 Mar | 1,360    | Transfer |
| 2   | 25 Mar | 3,600    | Transfer |
| 3   | 7 Apr  | 26,000   | Card     |

Mrs W received a return of £1,606 from the scam on 19 April 2022. I understand the rest of her money was lost.

## My provisional decision

After the complaint was referred to me, I issued my provisional decision setting out why I thought it should be partly upheld. My reasons were as follows:

*There's no dispute that Mrs W authorised the above payments. In broad terms, the starting position at law is that an Electronic Money Institution (EMI) such as Revolut is expected to process payments a customer authorises it to make, in accordance with the Payment Services Regulations and the terms and conditions of their account. In this context, 'authorised' essentially means the customer gave the business an instruction to make a payment from their account. In other words, they knew that money was leaving their account, irrespective of where that money actually went.*

*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;*
- have acted to avoid causing foreseeable harm to customers, for example by maintaining adequate systems to detect and prevent scams and by ensuring*

- all aspects of its products, including the contractual terms, enabled it to do so;
- 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.

*Taking these points into account, I need to decide whether Revolut acted fairly and reasonably in its dealings with Mrs W.*

*Should Revolut have recognised that Mrs W was at risk of financial harm from fraud?*

*One of the key features of a Revolut account is that it facilitates payments that sometimes involve large amounts and/or the purchase of cryptocurrency and I must take into account that many similar payment instructions it receives will be entirely legitimate. I'm also conscious this was a relatively new account and there was only a limited history of past activity against which these payments might have looked suspicious. Finally, I need to consider Revolut's responsibility to make payments promptly.*

*Having considered what Revolut knew about the payments 1 and 2, including the amounts involved and the fact they weren't in rapid succession, I'm not persuaded it ought to have been particularly concerned and I can't say it was at fault for processing them in line with Mrs W's instructions.*

*Payment 3, however was for a very large amount and was definitely out of character compared to previous transactions on the account. This is the point at which I think Revolut certainly should have identified Mrs W may be at risk from harm from fraud.*

*What did Revolut do to warn Mrs W?*

*Revolut has confirmed that it asked Mrs W to confirm the reason for payment 1 and that from the options presented she selected that it was a 'payment for goods and services' rather than an investment. Based on this information, she was shown a series of warning screens relating to purchase scams.*

*According to its submissions, and aside from asking Mrs W to confirm that she knew and trusted the new payee in payment 3, Revolut made no further attempts to intervene in payments 2 and 3.*

*What kind of intervention should Revolut have attempted in relation to payment 3?*

*Having thought carefully about the risk this payment presented, I think a proportionate response to that risk would have been for Revolut to have attempted to establish the circumstances surrounding the payment before allowing it to leave Mrs W's account. I think it should have done this by, for example, directing her to its in-app chat to discuss the payment further with one of its agents.*

*If Revolut had intervened as I've described, would that have prevented the losses Mrs W suffered from payment 3?*

*As part of a conversation with Mrs W, I would have expected Revolut's agent to have enquired about the reason for the payment. I've reviewed the history of her online chats with the scammers and there's nothing to indicate Mrs W was coached to hide the real reason or given a cover story to use if she was asked about this.*

*I can see that Mrs W didn't say she was investing when asked in the app about payment 1. But if she'd have said the same again, in view of the amount involved and the fact it's not usual to pay for items using cryptocurrency, I would have expected the agent to have asked a lot more questions about what she was buying and the surrounding circumstances. Under this type of questioning, I think it would have been difficult for Mrs W to continue misleading the bank if that is what she'd have tried to do. So, taking everything into account, I think it's likely the agent would have been able to establish what the payment was really for.*

*But however Mrs W had answered the agent's questions about the payment, given its nature and the fact it was going to cryptocurrency, I would have expected an appropriately skilled agent to identify that the most likely type of scam taking place was an investment scam. Once this had been identified, the agent should then have provided a tailored warning setting out common features of investment scams, for example that scammers often advertise on social media, offer guaranteed or extremely high returns, tell victims to download remote access software, and set them up with accounts of professional-looking fake platforms.*

*If Mrs W had received this type of warning, I think she'd have recognised many of these features of investment scams in her own situation and it would have resonated with her. I think it's also relevant to note the Financial Conduct Authority (FCA) issued a warning about this investment scheme in May 2021, advising against dealing with the company as it wasn't authorised. If the agent had asked Mrs W to confirm the name of the company she was investing with or simply advised her to check the FCA register, I think this should have come to light. On balance, I think the most likely outcome of the sort of human intervention I've described is that Mrs W would have decided not to proceed with payment 3.*

*What about the actions of Mrs W's bank?*

*This was a multi-stage fraud that saw Mrs W move money from her bank to Revolut and then eventually to the scammer. This complaint is about Revolut and it's not appropriate for me to comment here on whether or not the bank should have identified she was at risk of harm from fraud and whether it reacted proportionately. But to obtain a full picture of what took place, we have contacted Mrs W's bank to establish if it attempted any kind of intervention before transferring her money to Revolut.*

*The bank has confirmed that it didn't contact Mrs W to speak about any of the transfers to Revolut. So I don't believe there was any intervention by the bank that should particularly have alerted her to the fact she was speaking to a scammer or that changes my views about how Revolut should have dealt with this situation and whether she acted reasonably.*

*Is it fair and reasonable for Revolut to be held responsible for Mrs W's loss?*

*I have taken into account that Mrs W remained in control of her money after making the payments from Revolut. It wasn't lost until she took further steps. But Revolut should still have recognised she was at risk of harm from fraud, made further*

*enquiries about payment 3 and ultimately prevented her loss. I think Revolut can fairly be held responsible for any loss in these circumstances.*

*While I have considered all of the facts of the case, including the role of other financial institutions involved, Mrs W has chosen not to pursue a complaint about any other business and I can't compel her to do so. And I don't think it would be fair to reduce her compensation because she's only complained about one business, as I consider that Revolut should have prevented the loss.*

*Revolut has addressed an Administrative Court judgment, which was referred to in a decision on a separate complaint. As I haven't referred to or relied on that judgment in reaching my conclusion in relation to the losses for which I consider it fair and reasonable to hold Revolut responsible, I don't intend to comment on it. I note Revolut says it hasn't asked me to analyse how damages would be apportioned in a hypothetical civil action but, rather, it's asking me to consider all of the facts of the case before me when considering what's fair and reasonable, including the role of all the other financial institutions involved. I'm satisfied that's what I've done.*

*Should Mrs W bear any responsibility for her losses?*

*I've considered the evidence carefully to decide what's fair and reasonable in the circumstances.*

*While I accept Mrs W believed these payments were being made in connection with a legitimate investment opportunity, I'm not persuaded that belief was a reasonable one. In particular, I'm conscious she responded to an advert on social media and I note the investigator has referred to the lack of positive online reviews about the scheme. In the circumstances, I think she should have proceeded with great caution. If she'd carried out further research, for example online searches, I think she'd have discovered her circumstances were similar to those commonly associated with investment fraud and also that the regulator was advising against dealing with the company. Overall, I think it's fair and reasonable for Revolut to make a 50% deduction from the redress payable.*

*Recovery of funds*

*I've also looked at whether Revolut could or should have done more to try and recover Mrs W's losses once it was aware that the payments were the result of fraud.*

*Revolut's online chat history shows Mrs W didn't tell it about the scam until May 2024, more than two years after the last payment. It's a common feature of this type of scam that the fraudster will move money very quickly to other accounts once received to frustrate any attempted recovery and it's not surprising that Revolut's attempts to get her money back weren't successful after this period of time. I'm also conscious that the normal time limit for raising a chargeback for the card payment had expired, meaning this avenue of possible recovery was no longer available.*

*In the circumstances, I don't think anything that Revolut could have done differently would likely have led to these payments being successfully recovered.*

*In conclusion*

*For the reasons I've explained, I don't think Revolut acted fairly and reasonably in its dealings with Mrs W and I'm proposing to uphold this complaint in part. While I don't think it acted incorrectly in processing payments 1 and 2 in line with her instructions,*

*if it had carried out an appropriate intervention before payment 3 left her account, I'm satisfied the loss from this payment would have been prevented.*

### **The responses to my provisional decision**

Both parties confirmed their acceptance of my provisional 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.

As neither party has made any further submissions, my findings haven't changed from those I set out previously.

### **Putting things right**

The principal aim of any award I make must be to return Mrs W to the position she'd now be in but for the errors or inappropriate actions of Revolut, while allowing for any responsibility she should reasonably bear. If Revolut had carried out an appropriate intervention as I've described, I'm satisfied the scam would have been stopped and Mrs W would have retained the money that was lost from payment 3. As outlined above, I've applied a 50% deduction to the amount to be refunded in recognition of her own contribution towards the loss.

I can also see that Mrs W received money back that she understood to be a return from her investment. As it's not clear which specific payment this related to, I think it should be deducted from the amount lost by apportioning it proportionately across all of the payments to the scam. This ensures the return is fairly distributed.

To put things right Revolut should pay Mrs W compensation of E + F etc, where:

- A = £30,960, representing the total of the payments to the scam;
- B = £1,606, representing the amount returned to her;
- C = £29,354, representing the total loss to the scam (A - B);
- D = 94.8%, representing the proportion of A that was lost to the scam (C divided by A);
- E = a refund of 47.4% of payment 3, representing a 50% refund of the proportion of this payment that was lost to the scam; and
- F = simple interest on the amount being refunded in E at 8% per year from the date of payment 3 to the date compensation is paid.

Interest is intended to compensate Mrs W for the period she was unable to use this money. HM Revenue & Customs (HMRC) requires Revolut to deduct tax from any interest. It must provide Mrs W with a certificate showing how much tax has been deducted if she asks for one.

I'm satisfied this represents a fair and reasonable settlement of this complaint.

**My final decision**

My final decision is that I partly uphold this complaint. Subject to Mrs W's acceptance, Revolut Ltd should now put things right as I've set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms W to accept or reject my decision before 23 October 2025.

James Biles  
**Ombudsman**