

The complaint

Mrs A has complained about Revolut Ltd not refunding several payments she says she made and lost to several investment scams.

What happened

The background to this complaint is well known to both parties, so I won't repeat it in detail here. In summary, Mrs A fell victim to an investment scam after she joined a platform introduced to her by a family member. The family member was able to withdraw money and showed this to her. So, she started investing funds expecting to approximately double her return. However, although other people were able to withdraw funds she could not do so.

Mrs A then discovered other platforms via social media and joined the messaging groups linked with them. From there she messaged some of the members to confirm if the investments were genuine and that they could withdraw funds. She was informed they were and so started to invest. However, she discovered these were all scams when each platform did not allow her to withdraw her funds.

Mrs A believes Revolut failed in its duty to protect her as it should have stopped her payments sooner, not just the later ones.

Our Investigator didn't uphold the complaint as, although he agreed Mrs A had lost her money because of fraud, the initial payments were not of a level that they should have caused Revolut any concern. And, when it did intervene our Investigator was satisfied that was the point it was reasonable of it to have done so – meaning he would not have expected any earlier interventions. Mrs A disagreed.

As our Investigator couldn't resolve the matter informally the case has been passed to me for a final 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.

I'm 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 focused 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'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.

I don't doubt Mrs A has been the victim of a scam here – she has lost a large sum of money and has my sympathy for this. However, just because a scam has occurred, it does not mean she is automatically entitled to recompense by Revolut. It would only be fair for me to tell Revolut to reimburse Mrs A for her loss (or a proportion of it) if: I thought it reasonably

ought to have prevented all (or some of) the payments Mrs A made, or Revolut hindered the recovery of the payments Mrs A made – whilst ultimately being satisfied that such an outcome was fair and reasonable for me to reach.

I've thought carefully about whether Revolut treated Mrs A fairly and reasonably in its dealings with her, when she made the payments and when she reported the scam, or whether it should have done more than it did. Having done so, I've decided to not uphold Mrs A's complaint. I know this will come as a disappointment to her and so I will explain below why I've reached the decision I have.

I have kept in mind that Mrs A made the payments herself and the starting position is that Revolut should follow its customer's instructions. So, under the Payment Services Regulations 2017 (PSR 2017) she is presumed liable for the loss in the first instance. I appreciate that Mrs A did not intend for her money to ultimately go to a scammer – but she did authorise these payments to take place. However, there are some situations when an Electronic Money Institution (EMI) should have had a closer look at the wider circumstances surrounding a transaction before allowing it to be made.

Considering the relevant: law and regulations; regulators' rules, guidance and standards; codes of practice; and, where appropriate, what I consider to be good industry practice at the time - Revolut should fairly and reasonably:

- Have been monitoring accounts and any payments made or received to counter various risks, including anti-money laundering, countering the financing of terrorism, and 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 payment service providers are generally more familiar with than the average customer.
- In some circumstances, irrespective of the payment channel used, have taken additional steps, or make additional checks, before processing a payment, or in some cases decline to make a payment altogether, to help protect customers from the possibility of financial harm from fraud.
- 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.

So, I've thought about whether the transactions should have highlighted to Revolut that Mrs A might be at a heightened risk of financial harm due to fraud or a scam.

Revolut should have identified that Mrs A's payments were going to a cryptocurrency exchange as the merchant is well known. However, that doesn't mean they *all* should automatically be treated as suspicious; particularly when there are no other concerning factors about the payments. Many banks have made the commercial decision to prevent their customers from using their service to send money to cryptocurrency exchanges. Albeit investing in cryptocurrency is a highly risky endeavour, it is ultimately a legitimate one and so certain banks and EMIs do permit payments to cryptocurrency exchanges.

Having considered Mrs A's payments I agree with our Investigator's findings. I'm not persuaded that Revolut should have been concerned with Mrs A's initial payments as they would not have appeared to be suspicious or unusual. I say this because the payments were not of such a value, or completed at such a frequency, that I would have expected Revolut to have intervened. They were also of fluctuating amounts. Ultimately, the payments she made

at this point did not have all the common characteristics to suggest Mrs A may be falling victim to a scam.

However, as the payments continued, I've noted Revolut was concerned when Mrs A attempted a payment of £2,900 on 31 May 2024. It declined the payment and informed Mrs A it could be a scam and before allowing her to proceed asked her a series of questions. Following these questions, in which Mrs A was not completely forthcoming with her answers, Revolut then put her through to its in-app chat. After asking a number of questions via the chat, Revolut did not allow the payment go through as it still had some concerns. Mrs A then attempted another payment to the same merchant, but Revolut blocked it and then subsequently closed her account. On reflection Mrs A was happy with this level of intervention at this point, although accepts at the time she was not. Similarly, I think Revolut was correct to intervene when Mrs A increased her payment to £2,900 and to also not allow another to be sent shortly after whilst it was investigating its concerns.

I'll note here that just because it was right for Revolut to have had concerns on 31 May, does not mean it should have intervened sooner. As I have outlined above, the earlier payments were not ones that ought to have been of concern to Revolut. Nor have I seen any wider red flags which suggest it should have prevented Mrs A's previous payments. Although I do not dispute this was a very cruel scam, this in isolation does not mean Revolut has to refund the lost funds.

I think it's important to highlight that there are many payments made by customers each day. It's not reasonable to expect Revolut to stop and check every payment instruction to try to prevent fraud or financial harm. There's a balance to be struck between the extent it intervenes in payments to protect customers and not unnecessarily disrupting legitimate payment instructions.

I have noted the vulnerable situation Mrs A was in at the time of the scam. The repercussions such a cruel scam has had on her, and her family, are not something I have overlooked when reaching my decision. However, I have not seen a pattern, or wider red flags, emerge that would have highlighted to Revolut that she potentially had vulnerabilities impairing her decision-making abilities during this scam. I am empathetic towards her, but I do not consider, in isolation of any other clear indicators of a potential risk of financial harm, that his situation ought to have triggered additional red flags for Revolut.

I'm very sorry to disappoint Mrs A. However, I don't think Revolut should have prevented her making all the payments as she has suggested. So, it wouldn't be reasonable for me to ask them to refund the payments she made when I do not think it ought to have acted any differently.

Recovery

The only method of recovery Revolut has for payments made by card is to request a chargeback. However, Mrs A didn't make the card payments to the scammer directly, she paid a cryptocurrency exchange. The service provided by the cryptocurrency exchange would have been to convert or facilitate conversion of Mrs A's payments into cryptocurrency. If these funds had not already been transferred to the scammer, they would be in her control to access as and when she chose. The fact that the cryptocurrency was later transferred to the scammer doesn't give rise to a valid chargeback claim against the merchant Mrs A paid.

Therefore, Revolut could not have done anything further after Mrs A alerted it to the scam and so I won't be asking it to do anything further.

My final decision

My final decision is I do not uphold this complaint against Revolut Ltd.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs A to accept or reject my decision before 28 October 2025.

Lawrence Keath
Ombudsman