

## The complaint

Mr B complains that Revolut Ltd (Revolut, hereinafter) hasn't refunded the losses he's incurred when falling victim to an investment/romance scam.

## What happened

In October 2022 Mr B received a cold text from someone who appeared to have got the wrong number. He continued the conversation, which later turned into a friendship/romance.

Unbeknown to Mr B, this was sadly a scam. The scammer introduced Mr B to an investment opportunity involving opening a wallet with a genuine cryptocurrency provider I'll refer to as C and then sending funds to a scam trading platform from there.

As part of the scam, Mr B sent funds from his Revolut account to his wallet with C totalling £30,490, through a mixture of card and faster payments. He funded the scam with his savings that he held with another bank. He received a few small credits from the scam, mostly when testing whether he could easily withdraw funds from his wallet with C.

Mr B realised he had fallen victim to a scam when he was asked to pay a large amount upfront in order to liquidate his trading account and withdraw his dividends.

He later reported the scam to Revolut. Revolut said it tried to recover Mr B's funds and was only successful in recouping £20, via chargeback. However, none of the remaining lost funds could be recovered. Revolut said it questioned Mr B appropriately at the time it identified that he may be at risk of falling victim to a scam. It added that all the payments were successfully authorised by Mr B and that he was grossly negligent in falling victim to the scam, so, it thinks it should not be held responsible for Mr B's losses and declined to refund him.

So, Mr B referred the complaint to the Financial Ombudsman Service.

Our Investigator found that Revolut's interventions were not proportionate to the risks identified and human intervention was required to probe Mr B further when he attempted payment 16 to the scam. However, they said that intervention was unlikely to prevent Mr B's losses as Mr B was sadly too deep under the scammer's spell and had been coached by the scammer on what to do to avoid his payments from being blocked by Revolut. So, even if Revolut's warnings had fallen short of the expected standards, our Investigator found that better interventions further down the line wouldn't have made a difference and that Mr B's loss could not be prevented.

Mr B disagreed with our Investigator's view and said that Revolut shouldn't be able to get away with the fact it didn't intervene properly, especially for the later payments which were very out of character.

Mr B's representatives added he was a vulnerable customer at the time of the scam, and that the level of manipulation he suffered shouldn't be overlooked, so Revolut should have tailored its fraud prevention measures accordingly.

Mr B's representatives added that the Investigator's finding that no better intervention would have made a difference was based on speculation alone, as the evidence showed Mr B had been honest and selected he was investing, when asked by Revolut previously. This supported that a better intervention could have unveiled the scam for Mr B.

In light of this disagreement, I have been asked to review everything afresh and reach a decision on the matter.

### **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.

Where the evidence is incomplete, inconclusive, or contradictory, I must make my decision on the balance of probabilities – that is, what I consider is more likely than not to have happened in the light of the available evidence and the wider surrounding circumstances.

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

- I thought Revolut reasonably ought to have prevented all (or some of) the payments Mr B made, or
- Revolut hindered the recovery of the payments Mr B 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 Mr B fairly and reasonably in its dealings with him, when he made the payments and when he reported the scam, or whether it should have done more than it did.

Having done so, I've decided to not uphold Mr B's complaint, and, broadly, for the same reasons as our Investigator. I know this will come as a disappointment to Mr B, so I would like to explain below why I've reached this decision.

I have kept in mind that Mr B made the payments himself, and the starting position is that Revolut should follow its customer's instructions. So, under the Payment Services Regulations 2017 (PSR 2017) he is presumed liable for the loss in the first instance.

I appreciate that Mr B did not intend for his money to ultimately go to fraudsters and was deceived into doing so – but he did authorise these payments to take place. However, there are some situations when a bank, or an electronic money institution such as Revolut, 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.

*Was Revolut's fraud intervention proportionate?*

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

Revolut intervened on the first two faster payments Mr B made on 9 November 2022. Mr B cancelled the first payment for £500, as it came up on Revolut's systems as potentially fraudulent. He then attempted a second payment immediately after for £100. The intervention started with a generic warning about reviewing the details of the beneficiary before proceeding with the payment, and informing Mr B Revolut might not be able to recover the funds if it turned out to be a scam.

Revolut then issued an unskippable warning where it told Mr B it thought he was being scammed, due to the payment being very unusual and 99.2% higher risk than a typical transaction, so it asked him to confirm the payment's purpose. Mr B stated that he was going to invest, at which point he was taken through a warning about the common features of investment scams that he could not skip past. Following that, he selected he wanted to proceed with the payment, which Revolut duly processed.

Revolut didn't intervene further on any of Mr B's payments, even if he made some very high value ones on 27 and 29 November 2022, as our Investigator identified in their view. I agree with their finding that Revolut missed opportunities to probe Mr B's further for both payments.

Such intervention was especially warranted in light of the individual and combined value of these payments, which was very high and unusual compared to earlier genuine activity from Mr B's Revolut account. They contributed to an established pattern of increasingly high value payments to a genuine cryptocurrency provider, which should have informed Revolut Mr B may be at risk of falling victim to a scam.

So, I'm persuaded Revolut should have intervened proportionately in the form of blocking both payments and querying them further with Mr B by asking open ended questions and providing warnings that would be relevant to Mr B's set of circumstances.

However, I must consider Mr B had been heavily coached by the scammer to bypass Revolut's warnings and was fully taken with the scammer, not just as his investment advisor but also in a romantic sense. So, as I'll go on to explain, I don't believe more detailed interventions would have resulted in Mr B's losses being prevented.

*Would better interventions from Revolut have made a difference?*

The question for me to answer next is whether, on the balance of probabilities, Revolut would have been able to prevent Mr B's further losses, had it probed his payments beyond the extent that it did.

I've considered that point very carefully and I'm not persuaded it would have been. The bulk of Mr B's representations rests on the argument that a better intervention later on in the scam had the power to break the scammer's spell.

So, I've reviewed the extent of Mr B's conversations with the scammer and what transpires about their relationship in great detail to make a finding about whether this would have been the most likely scenario in this case.

The evidence available to me strongly points to Mr B being too deep under the scammer's spell to heed any warnings from his bank or Revolut.

I say this because of the following reasons:

- The chat transcripts show that on more than one occasion the scammer alerted Mr B as to the possibility of his transactions flagging with Revolut or the bank from which he transferred his savings. They explained to him clearly that he should say he was simply buying some cryptocurrency and that he was going to keep it in his wallet and didn't have any designated investment in mind. There's also evidence in the transcripts that the coaching took place on phone calls too, which I believe would have further reinforced the scammer's instructions and their hold on Mr B's mind.
- On a few occasions the scammer told Mr B he should distrust financial institutions blocking cryptocurrency payments, as all they're trying to do is enrich themselves and keep control over their customers' funds. Mr B was very receptive to this type of rhetoric, and he told the scammer more than once that he completely agreed with them and that he totally valued their advice. This is, in my opinion, an important insight into Mr B's set of values and the likelihood of him trusting Revolut's warnings over the scammer's advice.
- The chat transcripts also evidence that Mr B spoke on the phone to some financial institutions to release his funds and ensure they would not be blocked going forward. It's unclear who Mr B spoke to, but I find it unlikely he would have disclosed in those calls that he was intending on using his lifetime savings towards a trading platform that wasn't regulated by the FCA and that was recommended by someone he had met online a month before, as that would have most likely resulted in that institution realising he was being scammed.
- Mr B's representatives have argued that Mr B would have been likely receptive to Revolut's questions and later interventions because he openly stated that he was investing during the first intervention. However, I'm afraid I can't agree that this would have been the most likely outcome in the circumstances. Stating that he was investing was precisely part of the scammer's coaching. Mr B was moving funds to his genuine cryptocurrency wallet, so stating anything other than "investment" could have caused him some trouble and alerted Revolut that something might be wrong. The scammer asked Mr B to mislead Revolut as to what he intended to do with the

funds once they had been deposited into his wallet with C. And I believe the evidence points to Mr B being intent on keeping the true reason of his payments hidden from Revolut. So, I think he would have continued to hide the existence of the scammer and the scam trading platform for as long as he could.

- Mr B's representatives has argued that, had Revolut intervened later on this would have given Mr B a valuable opportunity to run the investment by a friend or family member and rethink his decision to continue to invest, but again I don't think the evidence supports such a finding. The chat transcripts show Mr B ran his decision to invest more money by his mother, and despite her not being comfortable with this, he decided to proceed anyway. Moreover, even if the intervention wasn't as disruptive, Mr B had been warned about the risks that this may turn out to be an investment scam. He was told to be wary of guaranteed returns, strangers approaching him on social media and investment opportunities not regulated by the FCA. However, none of these pieces of advice prompted Mr B to take any steps to check the opportunity was legitimate or the scammer's credentials, even when, at several points in the conversation with the scammer, he recognised that the opportunity was way too good to be true. So, I'm also in agreement with our Investigator that, at no point, Mr B showed any hesitation towards the scam, and I'm minded to find that the scammer's hold on him was, most likely, unshakeable.
- Finally, Mr B's representatives have argued Mr B was a vulnerable customer and Revolut should have protected him accordingly. However, despite requests to both parties, I'm unclear on what these vulnerabilities were at the time, nor is it clear that Revolut had been made aware about them before Mr B was scammed. I would also like to note that Mr B held a relatively senior position within a renowned UK banking institution at the time of the scam, so I would like to think that his judgement would have been informed by the technical knowledge he had acquired in his role. Overall, I can't say I have identified vulnerabilities or needs that Revolut should have known to take additional steps to protect Mr B as he was making the payments.

Overall, based on all of the above, I believe that, on the balance of probabilities, Revolut wouldn't have been able to prevent Mr B's losses, even if it had intervened earlier in the scam.

### *Recovery*

I have thought about whether Revolut could have contacted C to recover Mr B's funds. But Mr B said he had moved the funds on from his cryptocurrency wallet to the scammer, so any recovery action from the point of reporting the scam to Revolut would have not been successful, as no funds were left in Mr B's wallet with C.

So, I don't think Revolut could have done more to recover Mr B's funds in this instance.

### **My final decision**

For the reasons given above, I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 30 April 2026.

Daria Ermini  
**Ombudsman**