

## The complaint

Mr B complains that Revolut Ltd didn't do enough to protect him from the financial harm caused by an investment scam, or to help him recover the money once he'd reported the scam to it.

## What happened

The detailed background to this complaint is well known to both parties. So, I'll only provide a brief overview of some of the key events here.

Mr B saw an online advert for an opportunity to invest in cryptocurrency which was endorsed by a well-known celebrity. He completed a contact form and was contacted by someone I'll refer to as "the scammer" who said he could make good returns using a platform I'll refer to as "E".

Before going ahead, Mr B googled E's website and reviewed the documents supplied by the scammer. The scammer gave him login details for a professional looking portal and asked him to open a Revolut account and to first purchase cryptocurrency through a cryptocurrency exchange company and then load it onto an online wallet. Between 7 December 2022 and 5 December 2023, he made 48 transfers and debit card payments to several cryptocurrency exchanges totalling £23,492.97.

Mr B received some small returns early on, but he realised he'd been scammed when he was told he'd have to pay further fees to make a withdrawal, which he refused to do. He complained to Revolut, but it said it didn't have enough information to investigate his claim and so he complained to this service with the assistance of a representative who said Revolut ought to have intervened on 8 December 2022 when he transferred £5,500 to "S". They argued that it should have asked probing questions about the payment, and had it done so, the scam would have been detected because there were several red flags present.

Responding to the complaint, Revolut explained that Mr B opened the account on 5 December 2022, and it was terminated on 11 November 2024. It said it didn't raise chargeback claims because Mr B approved the transactions, and the merchants and had provided the promised services. It also sought recovery of the funds, but no funds remained.

It said there was no transaction history to compare the payments with, Mr B wasn't rushed or coerced into making the payments. It explained that it gave a new beneficiary warning before each new beneficiary, followed by a set of educational story messages about the risks associated with the payment. For the first transfer to S on 7 December 2022, Mr B selected 'Something Else' when he was asked to provide a payment purpose, which resulted in a warning him that there was a high probability that the payment was a scam, followed by more tailored warnings. It also said he failed to take sufficient due diligence.

Our investigator didn't think the complaint should be upheld. She was satisfied that Revolut had intervened appropriately on 7 December, and she didn't accept Mr B had shown that any of the transactions dated after 16 February 2023 were related to the scam because there was no reference to them in any of the messages between him and the scammer, and

Mr B had said he was also investing independently. And even if it had intervened again, the messages Mr B had with the scammer showed he went ahead with the payments despite having had concerns, for example, on 2 November 2022, he said he'd been scammed previously, and he asked questions about the withdrawal procedure. And on 4 November 2022, he requested E's FCA licence and any other documents to confirm it was properly licenced, explaining he'd lost over £750,000 in the previous scam.

She further explained that Bank R intervened on 5 December 2022 and 7 December 2022, and that it was likely that Mr B transferred funds to his Revolut account on 7 December 2022 to circumvent Bank R's attempts to protect him from financial harm.

Overall, she was satisfied that Mr B had made payments despite having concerns about what he was being asked to do and so, even if Revolut had intervened again, she didn't think there was anything further it could have done to prevent his loss.

Mr B has asked for his complaint to be reviewed by an Ombudsman. His representative maintains that the payments dated after 16 February 2023 were related to the scam arguing that the lack of messages for the relevant period can't be relied on to conclude that the relationship had ended. They've argued that the scammer continued to communicate with Mr B in different ways, and that there is no reason to doubt his testimony.

In addition, the representative has argued that evidence that Mr B had concerns about the investment supports that he would have been amenable to guidance from Revolut, and the fact he'd received a warning from another bank doesn't absolve Revolut of the responsibility to provide a detailed and specific warning.

### **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 conclusion as our investigator. And for largely the same reasons. I'm sorry to hear that Mr B has been the victim of a cruel scam. I know he feels strongly about this complaint, and this will come as a disappointment to him, so I'll explain why.

I'm satisfied Mr B 'authorised' the payments for the purposes of the of the Payment Services Regulations 2017 ('the Regulations'), in force at the time. So, although he didn't intend the money to go to scammers, under the Regulations, and under the terms and conditions of his bank account, he is presumed liable for the loss in the first instance.

There's no dispute that this was a scam, but although Mr B didn't intend his money to go to scammers, he did authorise the disputed payments. Revolut is expected to process payments and withdrawals that a customer authorises it to make, but where the customer has been the victim of a scam, it may sometimes be fair and reasonable for the bank to reimburse them even though they authorised the payment.

### *Prevention*

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 in December 2022 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 (among other things). 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 the 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.

I've thought about whether Revolut could have done more to prevent the scam from occurring altogether. Buying cryptocurrency is a legitimate activity and from the evidence I've seen, the payments were made to a genuine cryptocurrency exchange company. However, Revolut ought to fairly and reasonably be alert to fraud and scams and these payments were part of a wider scam, so I need to consider whether it ought to have intervened to warn Mr B when he tried to make the payments. If there are unusual or suspicious payments on an account, I'd expect it to intervene with a view to protecting him from financial harm due to fraud.

Revolut intervened when Mr B made the first payment for £5,500 on 7 December 2022. Due to the value of the payment and the fact he was paying a high-risk cryptocurrency merchant, I think the timing of the intervention was appropriate. I note that when Mr B was asked to provide a payment purpose, he selected 'something else', but because he was paying a cryptocurrency exchange, he was given a warning which was relevant to investment scams, specifically: *'fraudsters could contact you or you may see an advertisement online offering you a fake – but often convincing – investment opportunity, to make easy money. Legitimate investments will never guarantee profit and won't be arranged over social media. Investment companies will be registered with a regulator such as the Financial Conduct Authority ("FCA") in the UK'*. I'm satisfied this warning was relevant to cryptocurrency investment scams, and that that the intervention was proportionate to the risk presented by the payment.

I've considered whether there were any further opportunities for Revolut to intervene before 16 February 2023, and as none of the payments exceeded £5,500, and all the payments credited back to the account meaning there was no loss, I don't think there was.

Our investigator didn't accept that Mr B had shown the payments dated after 16 February 2023 were made in relation to the scam. Mr B's representative has argued that a lack of messages from the scammer isn't sufficient reason to doubt his testimony, but I agree with our investigator that as the messages with the scammer don't support that the payments from Mr B's Revolut account were made to this scam and Mr B accepts that he was also investing independently, there is no evidence that the later payments were made to the scam.

For completeness, our investigator has further explained that, even if she had been satisfied that the later payments were lost to the scam, the fact Mr B made them having expressed concerns about the investment in November 2022 and December 2022, means it's unlikely a further intervention would have made a difference. But I don't intend to comment on this having found there's no evidence that the later payments were lost to a scam.

I'm sorry to hear Mr B has lost money and the effect this has had on him. But for the reasons I've explained, I don't think Revolut is to blame for this and so I can't fairly tell it to do anything further to resolve this complaint.

### *Recovery*

I don't think there was a realistic prospect of a successful recovery because Mr B paid accounts in his own name and moved the funds onwards from there.

I've also thought about whether Revolut could have done more to recover the debit card payments when he reported the scam to it. Chargeback is a voluntary scheme run by Visa whereby it will ultimately arbitrate on a dispute between the merchant and customer if it cannot be resolved between them after two 'presentments'. Such arbitration is subject to the rules of the scheme — so there are limited grounds on which a chargeback can succeed. Our role in such cases is not to second-guess Visa's arbitration decision or scheme rules, but to determine whether the regulated card issuer (i.e. Revolut) acted fairly and reasonably when presenting (or choosing not to present) a chargeback on behalf of its cardholder (Mr B).

Mr B's own testimony supports that he used cryptocurrency exchanges to facilitate the payment. It's only possible to make a chargeback claim to the merchant that received the disputed payments. It's most likely that the cryptocurrency exchanges would have been able to evidence they'd done what was asked of them. That is, in exchange for the payments, they converted and sent an amount of cryptocurrency to the wallet address provided. So, any chargeback was destined fail, therefore I'm satisfied that Revolut's decision not to raise a chargeback request against either of the cryptocurrency exchange companies was fair.

### *Compensation*

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

### **My final decision**

For the reasons I've outlined above, 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 B to accept or reject my decision before 13 January 2026.

Carolyn Bonnell  
**Ombudsman**