

The complaint

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

What happened

The details of the complaint are well known to both parties, so I will not repeat them again here. In summary:

Mr S has said he replied to a social media advert promising big profits, he says the expected returns were 500% per month. Mr S says he was given access to the 'platform' and Mr S communicated with the scammers 'admin assistant'. When Mr S attempted to withdraw his funds he was told he would have to pay various fees in order to access the funds. Mr S paid some of the fees, but when the request for further fees continued, he realised it was a scam. Mr S raised his complaint with Revolut who looked into his concerns. It said it did intervene on one of Mr S' payments and provided adequate warnings but Mr S proceeded. As such, it didn't think it had done anything wrong so it didn't refund Mr S' transactions. Revolut also said the activity of crypto exchange cannot be considered by the financial ombudsman service as it is outside of its jurisdiction.

Mr S remained unhappy and referred his complaint to our service. Our investigator looked into his concerns, he didn't recommend it be upheld. So, Mr S referred his complaint 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 findings for broadly the same reasons, I will explain why. But before I do so, I want to highlight that I am considering the actions of Revolut in its capacity as a regulated Electronic Money Institution ("EMI"), and whether it ought to have done more to protect Mr S against the alleged scam whilst carrying out the payment service activities which are in jurisdiction.

In broad terms, the starting position at law is that an 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;

- 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.

However, the first consideration in determining Revolut's obligations here would normally be:

- was Mr S scammed as he alleged and to establish the loss he suffered.

Mr S has provided evidence of the scam conversations between him and the scammer, and while I am aware I haven't received the entire scam chat (from when the scam commenced) I am satisfied that Mr S was involved in a scam.

Our service asked Mr S to provide further evidence regarding the loss as a result of a scam, such as his crypto currency statements showing the funds being transferred to the wallets provided by the scammer or evidence to show the cryptocurrency exchange has refused to provide them. This evidence was requested as Mr S' initially stated he was using the Crypto account for genuine investments plus the scam simultaneously. And that he did not receive any credits from the scam. However, he has since said this is not the case and that all payments went directly to the scammers. And that the credits received are the balance he brought back from his crypto account that he didn't send. Ultimately, due to the limited evidence and conflicting testimony, I can't establish Mr S' loss. Therefore, I can only be satisfied that he made the transactions on his account, I can't be satisfied that the ultimate beneficiary of the disputed funds was the scammer.

Our service has also asked Mr S for further evidence regarding the source of funds used in relation to some of the disputed transactions. Mr S originally said:

"I already had the money in this account, moved money from another of my bank accounts, Borrowed from friends / family, Money from savings accounts"

When we asked Mr S' representatives to elaborate on this, his representative said:
"There were no funds borrowed from friends and family"

However, having looked at Mr S' statements (held with a third party bank), it shows that he was using his overdraft facility in the months leading up to the scam and only exited the overdraft following several unexplained large and significant credits from a third party. These funds were immediately used by Mr S to make similar value payments into his crypto accounts. Having looked on companies house I can see that at the time of the payments; Mr S was listed as one of six directors of the third party. I also note that he resigned as one of the directors in March 2025, so is no longer an active director.

While Mr S has since provided some evidence to substantiate source of funds in line with the above, I can't be satisfied it accounts for the entirety of his fund, this alongside his

inconsistencies in his story, and without being able to evidence the loss actually suffered (if any) I can't fairly or reasonably direct Revolut to refund Mr S the disputed transactions.

In any event, in absence of the evidence requested I have considered the events which took place. It's not in dispute that Mr S authorised the disputed payments in question. And it's not disputed that the transactions were unusual or uncharacteristic as Revolut did intervene on one the 11,600 USDT withdrawal.

Revolut paused the transaction and provided the following warning:

“Something doesn’t look right

Your transaction has been flagged by our system as a potential scam. To continue, we need to ask you some questions.”

Revolut then asked a series of questions to narrow down the scam. The FCA's Consumer Duty, which was in force at the time these payments were made, requires firms to act to deliver good outcomes for consumers including acting to avoid foreseeable harm. In practice this includes maintaining adequate systems to detect and prevent scams and to design, test, tailor and monitor the effectiveness of scam warning messages presented to customers. As such, firms, have developed warnings to recognise both the importance of identifying the specific scam risk in a payment journey and of ensuring that consumers interact with the warning.

In light of the above when these payments took place, Revolut should have had systems in place to identify, as far as possible, the actual scam that might be taking place, for example by asking a series of automated questions designed to narrow down the type of scam risk associated with the payment he was making or have provided a scam warning tailored to the likely scam Mr S was at risk from. But any such system relies on the accuracy of any information provided by the customer and cannot reasonably cover off every circumstance. In this case, as highlighted above, Revolut did ask a series of questions including asking what the payment was for. Mr S said he was transferring to his own cryptocurrency wallet, but there was an option to select “as part of an investment”. Due to the answer Mr S provided, Revolut issued a safe account warning, which didn't resonate with Mr S as it didn't match his circumstances.

In any event, I think there is an argument to be made that human intervention ought to have been considered due to the value of the payments. However, if Revolut had done this I am satisfied it wouldn't have prevented the loss. I say this because, I am aware a third party bank did intervene by human intervention over 11 times and also invited Mr S into branch. However, Mr S didn't provide accurate answers to the questions the third party bank asked, which prevented it from identifying the risk and acting accordingly. Therefore, I am satisfied, even if Revolut had intervened in the way I have outlined above it is unlikely Mr S would have provided accurate information for Revolut to unveil the scam.

While I have taken into consideration Mr S may have been under the spell of the scam, I think that the amount of inconsistencies or events which are unexplained, despite being given the opportunity to present further information, I can't fairly determine what has happened. As such, it follows, I can't ask Lloyds to do anything further.

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 S to accept or reject my decision before 26 December 2025.

Jade Rowe
Ombudsman