

## Complaint

Ms K is unhappy that Revolut Ltd didn't reimburse her after she reported falling victim to a scam.

## Background

In 2023, Ms K fell victim to an investment scam. She responded to an online advertisement for an investment firm that appeared to be endorsed by a well-known public figure. The firm claimed to specialise in cryptocurrency investments. After completing a form on the company's website, Ms K was contacted by someone posing as a representative of the firm. She didn't know it at the time, but she was dealing with fraudsters rather than a legitimate investment company.

She was introduced to Mr E, who acted as her account manager. Following his instructions, she opened an account with Revolut. She deposited money into her Revolut account by moving funds from her account with another business that I'll refer to as Bank A. She then made payments from her Revolut account on to third-party firms, converted those funds into cryptocurrency and ultimately moved it into the control of the fraudsters.

Once she realised that she'd fallen victim to a scam, she notified Revolut. It didn't agree to refund her losses. It said that it had taken steps to check whether Ms K authorised the payments in question and, having done so, executed them in accordance with her instructions.

Ms K wasn't happy about that and so she referred her complaint to this service. It was looked at by an Investigator who didn't uphold it. Ms K disagreed with the Investigator's opinion and so the complaint has been passed to me to consider and come to a final decision.

## Findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

As a starting point, the legal position is that a firm is generally required to process payments and withdrawals authorised by its customer, in line with the Payment Services Regulations (in this case, the 2017 regulations) and the account terms and conditions. It is accepted that the disputed payments were authorised, so Ms K is presumed liable at first instance.

However, that is not the end of the story. Good industry practice required Revolut to monitor account activity or transactions that appear unusual or out of character and could indicate a risk of fraud. Where such concerns arise, I would expect the firm to take steps to protect its customer. This could involve issuing a clear warning during the payment process or contacting the customer to understand the circumstances behind the transaction.

With hindsight, we know Ms K was the victim of fraud. The questions I must consider are:

- (a) whether the risk should have been apparent to Halifax at the time, given the information available; and
- (b) whether any error on the bank's part was the cause of her losses.

In coming to a finding on (b), I must consider the relevant legal principles which require me to consider whether the loss would have occurred “*but for*” the bank’s failings. In other words, I need to be satisfied that it is more likely than not that, had Revolut acted as it should have, Ms K would not have suffered the loss she is now complaining about. If the loss would have occurred in any event, regardless of Revolut’s conduct, then its failings cannot be said to be the “*but for*” cause of that loss.

The Investigator highlighted a specific payment (£15,000 on 14 March 2023) where he believed Revolut should have intervened. While I think there was an argument for intervening on earlier payments as well, I’m not convinced it would have changed the outcome. Revolut’s efforts to protect Ms K from fraud were significantly limited by the way she responded to its questions about the payments.

I can see that Revolut did intervene on 14 March and communicated with Ms K via the chat function in its app. Unfortunately, the answers she gave to its questions weren’t accurate. She told the Revolut agent that “*I have not received a call from anyone telling me to create the Revolut account or make any transfers. I’m doing it by myself ... Nobody is pressuring me to act.*”

I think Revolut’s response in this situation was insufficient given the circumstances. The payment made on 14 March 2023 carried clear indicators of fraud risk. It should have considered the likelihood that Ms K was being instructed to provide misleading answers, as this is a common feature of investment scams. In light of that, I don’t think it was sufficient for Revolut to rely on a few basic questions that only prompted yes-or-no responses.

However, as I’ve explained above, I need to be satisfied that any failing on Revolut’s part directly caused Ms K’s losses. Put another way, if its intervention had been proportionate to the risk, would that have led to the scam being uncovered?

I don’t think the claim that it would hold up under scrutiny. Bank A also intervened on several occasions when Ms K transferred funds to her Revolut account. For the first payment, she told Bank A it was for home improvements and was able to provide additional details to make the explanation convincing. Her calls with Bank A suggest someone frustrated by the barriers to making payments. In one call, she even indicated that she would likely find a way to complete the payment regardless of any restrictions the bank imposed.

The fraudsters had prepared her on how to respond to any queries from Revolut or Bank A. Messages show that in July 2023, they advised her in the following terms:

*“If they ask if anyone is helping you, the answer is no, that you are doing it by yourself... If they ask what is this account, you can tell them it’s an exchange and that you’ve been using them quite a while now... and also you can tell the banker that you made many withdrawals from there and that you know how to use it perfectly.”*

In my view, even if the questioning had been more rigorous, it is more likely than not that Ms K would have continued to provide misleading information. While this does not absolve Revolut of its obligations, it placed it in a particularly challenging position. I don’t think there’s any persuasive basis to conclude that a reasonable or proportionate inquiry into Ms K’s use of her funds would have resulted in her disclosing the true circumstances.

I don’t say any of this to downplay the fact that Ms K has fallen victim to an extremely cruel and cynical scam. I have a great deal of sympathy for her and the position she’s found herself in. I also want to stress that I am not blaming her for what happened. It’s understandable that she trusted someone she believed was giving genuine investment advice. However, I can only uphold her complaint if I am satisfied that Revolut’s failing caused her loss and, for the reasons I’ve explained, I can’t come to such a finding here.

**Final decision**

For the reasons I've explained above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms K to accept or reject my decision before 13 January 2026.

James Kimmitt  
**Ombudsman**