

The complaint

Mr W has complained Revolut Ltd won't refund several payments he said he made and lost to an investment scam.

Mr W's representative referred the complaint to us, but for ease I will just refer to Mr W throughout.

What happened

The background to this complaint is well known to all parties, so I won't repeat it in detail here. In summary, Mr W fell victim to an investment scam after coming across the "opportunity" via messenger app groups. He said he read online articles and reviews as part of his due diligence prior to contacting the scammers. Once he did contact the scammers, he gained access to a sophisticated platform, downloaded screensharing software and was guided on how to use a cryptocurrency exchange to transfer funds to it. In total he sent more than £10,000 to the scammers - one payment in June 2022 and the other in July 2022. He realised he had been scammed when he was told he needed to deposit further funds to make a withdrawal.

Revolut didn't reimburse Mr W's lost funds and so he referred his complaint to us. Our Investigator looked into things but didn't recommend the complaint be upheld. He wasn't persuaded, on balance, that Revolut could have prevented Mr W from falling victim to the scam. He found that where another bank did intervene, with human intervention, Mr W was not entirely open as to what he was doing with his funds. So, he didn't think that had Revolut given a warning that would have prevented him wanting to proceed. Mr W disagreed.

As our Investigator couldn't resolve the matter informally, the case has been passed to me to issue 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 focussed 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 Mr W 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 W is automatically entitled to recompense by Revolut. It would only be fair for me to tell Revolut to reimburse Mr W for his loss (or a proportion of it) if: I thought Revolut reasonably ought to have prevented all (or some of) the payments Mr W made, or it hindered the recovery of the payments Mr W made – whilst ultimately being satisfied that such an

outcome was fair and reasonable for me to reach.

I have kept in mind that Mr W 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 W did not intend for his money to ultimately go to fraudsters, but he did authorise these payments to take place. However, there are some situations when 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 made 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.

So, I've thought about whether the transactions should have highlighted to Revolut that Mr W might be at a heightened risk of financial harm due to fraud or a scam. Having carefully considered this, I've decided to not uphold Mr W's complaint. I know this will come as a disappointment to him and so I will explain below why I've reached the decision I have.

Having considered the information known to Revolut about the payments, the initial one of £2,360.00 in June 2022 was not of an amount that I consider should have been a concern – whether identifiably going to cryptocurrency, or not. Although Mr W was making a payment to a cryptocurrency exchange, in isolation of wider red flags I do not think this should have concerned Revolut regardless. Ultimately, buying cryptocurrency is a legitimate activity and it wasn't / isn't uncommon for retail investors to choose to send funds to cryptocurrency exchanges via Revolut. The exchange in question is also legitimate.

However, Mr W proceeded and made another payment in July 2022 of £8,340.00, and I think Revolut should have intervened at this point due to the size of this payment. Whilst keeping in mind when this payment occurred, and that the account seems to have had an opening reason of cryptocurrency, in this instance I would not consider that Revolut would have needed to question Mr W. Instead, as a matter of good practice, it should have shown him a written warning that broadly covered general scam risks.

I am not persuaded such a warning would have resonated with Mr W sufficiently to have caused him concern, nor do I think it would have prevented him from proceeding. By this point he had invested a reasonable amount of money and was no doubt under the assumption the investment was going well. I've seen no evidence that the promised profits were too good to be true - Mr W says the expected profits were going to be 0.5 -1%. And he had successfully been able to make multiple withdrawals which were roughly in line with

such profit expectations. Additionally, there were other sophisticated aspects to this scam, such as: the scammers were knowledgeable and professional, know your customer checks were completed and Mr W was given access to a genuine-looking platform for the investment. Mr W said this all instilled him with confidence in what he was doing, especially since he had spent many months researching what he was doing and what was happening was no doubt what he was expecting.

In a call he had with another bank, as well as not being as forthcoming with details of the scam as he could have, Mr W explained his previous experience of trading penny stocks – another volatile market. Additionally, he was also investing in cryptocurrency himself via a legitimate cryptocurrency exchange. This all suggests Mr W was a reasonably experienced investor – and this previous experience no doubt played a part in his belief in the genuineness of the scam and his own trading abilities. So, I think all these different variables would have led to him not being dissuaded by a general scam warning. I would not have expected Revolut to have gone further than such a warning at this point.

I am sorry to hear of the losses Mr W has incurred from this cruel scam. I do not doubt he entered into this investment believing it to be a genuine opportunity. However, I cannot fairly say in this instance that Revolut should be held liable for his losses.

Recovery

Revolut did attempt to recover the funds from the beneficiary account. However, it was unable to. Ultimately the funds were paid to an account in Mr W's name and had he not sent them to the scammer they would still be within his control to access. I do not think there was anything further that Revolut could have attempted in this situation to successfully recover the lost funds.

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 Mr W to accept or reject my decision before 12 December 2025.

Lawrence Keath
Ombudsman