

The complaint

Mrs B is being represented by solicitors. She's complaining about Revolut Ltd because it declined to refund money she lost as a result of fraud.

What happened

Sadly, Mrs B fell victim to an investment scam after a friend introduced her a fake investment scheme. She used her Revolut account to make the following card payments to two cryptocurrency exchanges, from where I understand the cryptocurrency purchased was sent to the scammers and no return was received:

| No. | Date | Amount £ |
|-----|-------------|----------|
| 1 | 19 Apr 2022 | 500 |
| 2 | 20 Apr 2022 | 6,059.88 |
| 3 | 22 Apr 2022 | 1,000 |
| 4 | 16 Nov 2022 | 1,550 |
| 5 | 24 Nov 2022 | 2,000 |

Mrs B's representative has also referred to a payment of £1,197.19 on 22 January 2022 involving a third cryptocurrency exchange that it believes should be included in the complaint. But a review of her statements shows this was a credit received into her account rather than a payment out of it.

My provisional decision

After the complaint was referred to me, I issued my provisional decision setting out why I didn't think it should be upheld. My reasons were as follows:

After reviewing the evidence provided, particularly emails from the scam investment company to Mrs B informing her about the commission she was allegedly earning, I'm satisfied she fell victim and lost money to the scam.

There's no dispute that Mrs B authorised these payments. In broad terms, the starting position at law is that an Electronic Money Institution (EMI) such as Revolut is expected to process payments a customer authorises it to make, in accordance with the Payment Services Regulations and the terms and conditions of their account. In this context, 'authorised' essentially means the customer gave the business an instruction to make a payment from their account. In other words, they knew that money was leaving their account, irrespective of where that money actually went.

There are, however, some situations where we believe a business, taking into account relevant rules, codes and best practice standards, shouldn't have taken its customer's authorisation instruction at 'face value' – or should have looked at the wider circumstances surrounding the transaction before making the payment.

Revolut also has a duty to exercise reasonable skill and care, pay due regard to the interests of its customers and to follow good industry practice to keep customers'

accounts safe. This includes identifying vulnerable consumers who may be particularly susceptible to scams and looking out for payments which might indicate the consumer is at risk of financial harm.

Taking these things into account, I need to decide whether Revolut acted fairly and reasonably in its dealings with Mrs B.

The payments

One of the key features of an EMI account is that it facilitates payments that sometimes involve large amounts and/or the purchase of cryptocurrency. I must take into account that many similar payment instructions Revolut receives will be entirely legitimate and I also need to consider its responsibility to make payments promptly.

Having considered what Revolut knew about the payments at the time, I'm not persuaded it ought to have been particularly concerned about them. The payments were spread out over a long period, meaning a pattern of rapid successive payments seen in many common scam types wasn't present and, aside from payment 2, the amounts involved were relatively low. I am conscious that the payments went to cryptocurrency, which it's now accepted means there was a higher risk of them being associated with fraud. But concern about the additional risks associated with cryptocurrency wasn't as prominent at the time these payments were made as it is today.

After a review of Mrs B's bank statements, it also appears she'd dealt with cryptocurrency exchanges before. I note she received two credits, one of which I've already mentioned, from cryptocurrency exchanges in January 2022. Statements also show that she exchanged money into cryptocurrency in late 2021 and received another credit from a cryptocurrency exchange (not one of those to which the payments in this complaint were sent) in June 2022. So it would have appeared to Revolut that Mrs B had experience with cryptocurrency and, against this backdrop, I don't think the payments involved in this complaint would have appeared especially unusual or out of character for her account.

Based on the circumstances of the payments, I don't think there were sufficient grounds for Revolut to think that Mrs B was at risk of financial harm from fraud and I can't reasonably say it was at fault for processing them in line with her instructions.

I want to be clear that it's not my intention to suggest Mrs B is to blame for what happened in any way. She fell victim to a sophisticated scam that was carefully designed to deceive and manipulate its victims. I can understand why she acted in the way she did. But my role is to consider the actions of Revolut and, having done so, I'm not persuaded these were the cause of her losses.

Recovery of funds

I've also looked at whether Revolut could or should have done more to try and recover Mrs B's losses once it was aware that the payments were the result of fraud.

As the payments were made by card, Mrs B isn't eligible for a refund under the industry reimbursement scheme. The appropriate means for recovering card payments is instead the chargeback scheme. This is a voluntary agreement between card providers and card issuers who set the scheme rules and is not enforced by law. A chargeback isn't guaranteed to result in a refund, there needs to be a right to a chargeback under the

scheme rules and under those rules the recipient of the payment can defend a chargeback if it doesn't agree with the request.

I'd only expect Revolut to have raised a chargeback claim if it was likely to be successful and it doesn't appear that would have been the case here. First, Mrs B doesn't appear to have reported the scam until she complained in 2024, which was after the normal deadline for making a chargeback claim had expired. And, in any event, she paid legitimate cryptocurrency exchanges and received a service that involved changing her money into cryptocurrency before sending it to the wallet address she supplied it with (albeit the wallet address was provided by the scammer). Mrs B's disagreement is with the scammer, not the cryptocurrency exchanges and it wouldn't have been possible for Revolut to process a chargeback claim against the scammer as she didn't pay them directly.

In conclusion

I recognise Mrs B has been the victim of a cruel scam and I'm sorry she lost this money. I realise the outcome of this complaint will come as a great disappointment but, for the reasons I've explained, I think Revolut acted fairly and reasonably in its dealings with her and I don't currently propose to tell it to make any refund.

The responses to my provisional decision

Mrs B didn't accept my provisional decision and her representative made the following key points:

- While she had previous experience of cryptocurrency, she'd had no prior exposure to this type of sophisticated scam. Revolut was the expert and had a duty to protect customer accounts, particularly where a payment could indicate potential harm.
- While they were spread over time, the payments went to multiple cryptocurrency exchanges, which should have been identified as presenting a higher risk, and their combined value was substantial compared to her normal account activity.
- Revolut was required to exercise reasonable skill and care in protecting its customers' money and a failure to intervene in these payments represents a breach of its duty of care.

Her complaint against another bank about payments to the same scam was upheld and similar reasoning should apply here, including that effective intervention could have prevented further losses.

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, my findings haven't changed from those I set out previously. I haven't necessarily commented on every single point raised. I've concentrated instead on the issues I believe are central to the outcome of the complaint. This is consistent with our established role as an informal alternative to the courts. In considering this complaint I've had regard to the relevant law and regulations; any regulator's rules, guidance and standards, codes of practice, and what I consider was good industry practice at the time.

In response to the points raised by Mrs B's representative:

- I'm in no way disputing that Revolut has a responsibility to identify when its customers are at risk of harm from fraud. The question I've considered is whether it should specifically have identified Mrs B was at risk in respect of the transactions raised in this complaint. As I've explained, I don't think the payments were particularly out of character when compared to previous account activity that included a number of legitimate cryptocurrency transactions. And the fact the payments were spread out over several months means a pattern of multiple, rapid payments common with many types of scam wasn't present in this case. On balance, taking everything into account, I'm not persuaded that Revolut ought to have been particularly concerned about these payments based on what it knew at the time.
- I am aware of Mrs B's complaint against another bank about payments to the same scam. But I think it's important to recognise that complaint concerned payments from a different account and any conclusion about whether the bank should have identified the risk of harm would have been based partly on a comparison with past activity on that particular account. In any event, that complaint was upheld by the bank before it was referred to us so we didn't actually make a decision on whether it should have intervened in the payment process. Our involvement was simply to decide whether the offer that had already been made was fair.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs B to accept or reject my decision before 29 December 2025.

James Biles
Ombudsman