

The complaint

Mrs H complains Revolut won't reimburse money she lost when she fell victim to an investment scam.

Mrs H is professionally represented, however for ease, I'll refer to Mrs H throughout my decision.

What happened

In 2023, Mrs H fell victim to a crypto investment scam – with a crypto investment company that I'll refer to as 'E'. As part of the scam, Mrs H exchanged fiat currency into crypto with Revolut before making crypto withdrawals – as well as transferring approximately £250,000 in just under fifty transactions as part of the investment scam. The disputed transactions with Revolut took place between 12 May and 22 August 2023. Mrs H had also taken out numerous loans under the guidance of the scammer as well as made payments, before, during and after the payments from her Revolut account, from her other banking providers, which I will refer to as 'M' and 'L' to fund the scam. Mrs H also raised a complaint against M with our service, which has been addressed separately.

Mrs H realised it had been a scam when, despite numerous requests to withdraw her funds, E told her she needed to invest further before being allowed to make a withdrawal. Mrs H was also told she had to pay withdrawal fees and taxes, otherwise she would be blacklisted for a period of 10 years from having a bank account. Eventually, Mrs H said E told her she would need to pay them \$28,000 for their lawyers to have documents notarised to be allowed to withdraw her funds, and when she said she would employ her own lawyer, she was told this was not possible and it would need to be E's lawyers. Mrs H raised the matter with Revolut but they didn't agree to refund the disputed payments, so Mrs H brought her complaint to us.

Our Investigator didn't uphold Mrs H's complaint. In summary, he said:

- The withdrawal of crypto from Mrs H's account wasn't a regulated activity, but the transfers and acceptance of funds and then the exchanges were activities that this service had the power to investigate.
- Revolut should have identified Mrs H was at risk of financial harm from fraud, and it should have done more to establish the circumstances surrounding the payment at an earlier stage. However, even if Revolut had done this, based on Mrs H's interactions with M and L and the inaccurate information she provided at the start of the scam journey, he felt Revolut would have found it difficult to break E's spell and uncover the scam.
- It was clear Mrs H was circumventing any blocks from M and L under the guidance of E, by finding alternative ways to make transactions, and moving funds between M and L to make the payments to E. He also said the scam chats that have been provided between E and Mrs H show she was being heavily coached and guided in how to answer any questions from M and L to make sure the payments went through.
- In summary, Mrs H provided inaccurate information to Revolut as well as M and L during any interventions that did take place. And she was determined to make the

payments irrespective of her banking providers' efforts to protect her and her money. And there wasn't any realistic chance of recovery.

Mrs H disagreed. In short, she said:

- Revolut should have provided human intervention earlier, which may have uncovered the scam, as she was not heavily under the spell of E at that time.
- During the interventions that Revolut did carry out, she was providing inconsistent answers which should have raised red flags with Revolut as it was clear she was being coached into providing the answers and was being guided on what to say by a scammer. As a result, Revolut should have called her, which would have uncovered that she was being coached on what to say and the scam would have been revealed.
- She was clearly vulnerable due to her age at the time she began making the payments to the crypto exchange providers and she had told Revolut that she wasn't technologically savvy. Revolut should have flagged that she was vulnerable and at an enhanced risk of financial harm from scams and should have carried out enhanced due diligence before allowing payments to leave her account.

As no agreement could be reached, the matter has been passed to me to decide.

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 sorry Mrs H has been the victim of a scam. I don't underestimate the impact it has had on her. I therefore understand why she would do everything she can to try and recover the loss she's suffered. But I need to decide whether Revolut can fairly and reasonably be held responsible for Mrs H's loss. And I don't think they can, I'll explain why.

Before I do, I want to reassure Mrs H that I've considered everything that she has submitted in support of her complaint. And so, while I've summarised this complaint in far less detail than what has been provided, I want to stress that no discourtesy is intended by this. If there is a submission I've not addressed; it isn't because I have ignored the point. It's simply because my findings focus on what I consider to be the central issue in this complaint – that being whether Revolut is responsible for the loss Mrs H has suffered.

Our service can't consider every complaint that's brought to us. The rules that say when we can look at a complaint are set out by the Financial Conduct Authority in their dispute resolution rules (DISP rules). Here Mrs H exchanged funds into cryptocurrency before sending them externally. Cryptocurrency transactions are not a regulated activity so I find the sending of cryptocurrency externally is not something that I can consider.

However, I have considered the events leading up to the sending of the funds externally. I find the accepting of deposits into Mrs H's account a regulated or otherwise covered activity and the exchange of fiat money to cryptocurrency an ancillary activity. Therefore, I'm satisfied this part of the payment journey is something that I can consider, alongside the transfers Mrs H made as part of the scam.

In broad terms, the starting position in law is that an Electronic Money Institution (EMI) is expected to process payments that their customer authorises them to make. It isn't disputed that Mrs H knowingly made the payments from her account and so, I'm satisfied she authorised them. Therefore, under the Payment Services Regulations 2017 and the terms of her account, Revolut are expected to process Mrs H's payments, and she is presumed liable for the loss in the first instance.

However, taking into account the regulatory rules and guidance, relevant codes of practice and good industry practice, there are circumstances where it might be appropriate for Revolut to take additional steps or make additional checks before processing a payment to help protect customers from the possibility of financial harm from fraud.

The question then arises whether Revolut ought to have held such suspicions or concerns in relation to Mrs H's payments - and if so, what might've been expected from a proportionate intervention at that time. Further to that, where there is an interaction between a customer and Revolut before a high value payment is processed, as there was here, I'd expect it to take reasonable steps to understand the circumstances of that payment.

So, taking all of this into account, I need to decide if Revolut acted fairly and reasonably in their dealings with Mrs H when she made the payments. Specifically, whether they should've done more than they did before processing them – and if they had, would that have been effective. I also need to decide if Revolut could've recovered the lost funds.

But for me to find it fair and reasonable that Revolut should refund Mrs H requires more than a finding that Revolut ought to have intervened, but crucially I'd need to find that but for this failure the subsequent loss would've been avoided.

That latter element concerns causation. A proportionate intervention will not always result in the prevention of a payment. And if I find it more likely than not that such a proportionate intervention by Revolut wouldn't have revealed the payments were part of a fraud or scam, then I couldn't fairly hold them liable for not having prevented them from being made.

Interventions by Revolut

Here, Revolut did provide Mrs H with tailored investment warnings at the start of the scam journey and towards the end. Revolut have also mentioned they informed Mrs H that various payments she was attempting had been flagged by their systems as a potential scam and that to continue they needed to ask her some questions. As part of this it conducted further checks, undertaking a fraud risk assessment before allowing the payments to be processed. Revolut also spoke with Mrs H using their live chat function on one of the payments. Revolut have said they asked Mrs H to select the purpose of the payment from a list of options on some of the payments she was making and based on the options she selected she was shown various scam warnings.

Revolut's warnings highlighted that this could be a scam and that if she'd been told to ignore the warnings given, then it was a scam. Revolut also asked Mrs H a series of questions, to narrow down the possible fraud risks she faced, including whether she'd been asked to install any software so someone could see her screen, whether she had been asked to pay someone she didn't know. But despite Mrs H now saying she was asked to install remote access software, was being guided on what to say and told to ignore its warnings, she answered to Revolut that these circumstances didn't apply to her. Revolut's agent also made it clear to Mrs H that her money may be at risk if she continued with the payments. I appreciate not all the warning messages Revolut provided would have seemed relevant to Mrs H's circumstances. This, however, was no fault of Revolut as it is reliant on customers providing accurate answers to the questions they ask so they can tailor the warnings that are provided. The warnings provided, albeit not all specifically tailored to the type of scam Mrs H fell victim to, were relevant to her circumstances. They highlighted that fraudsters would pretend to be someone you can trust, they will pressure you to ignore warnings, send money to people you don't know and that they will use an exciting investment opportunity to convince customers to transfer funds. So, I think the scam warnings presented by Revolut ought to have resonated with Mrs H given her situation – thereby prompting her to question the legitimacy of what she was being asked to do.

Mrs H has argued that she was under immense pressure from the scammer at the time she was making the payments and that if Revolut had done more before processing them it would have been aware of this. Mrs H would have preferred a phone call from Revolut, but Revolut tends not to call its customers and deals instead through its in-app chat which it did here. It's not for us to comment on how Revolut chooses to run its business, but I have thought about whether Revolut ought to have taken further steps when Mrs H made her payments and whether any further probing would have been effective. When considering this, I've kept in mind that EMIs process high volumes of transactions each day. And that there is a balance for Revolut to find between allowing customers to be able to use their accounts and questioning transactions to confirm they're legitimate. I've also taken into account additional checks that M and L completed when Mrs H tried to send funds as part of the scam.

Interventions by M

Mrs H made four payments from her account with M as part of the scam, ranging from £600 to £5,000 from 6 March 2023 to 15 May 2023. All the payments from M were made before the first payment she made from her Revolut account.

M have confirmed they did provide Mrs H with written warnings and asked her to select a payment purpose when making each payment – and the corresponding warnings it showed her related to those purposes. Although there was an option to select “making an investment,” Mrs H selected the options that she was “paying bills or invoices” and “shopping.” So, although the warnings M displayed weren't particularly relevant to Mrs H's situation, she's mentioned being coached into giving incorrect answers to M for the purpose of payments. It is clear she was under the spell of the scammers a few months before she even started to make the payments from her Revolut account. M have also said they told Mrs H they will no longer be supporting crypto transactions, shortly after her last payment. This is around the same time Mrs H started using her Revolut account to continue making the scam payments.

Interventions from L

L have provided us with phone call interventions that took place between Mrs H and their agents when she tried to send funds to her Revolut account.

The first call took place on 12 May 2023 (the same day she made her first payment to the scam from her Revolut account) when Mrs H attempted to send £2,500 from L to Revolut. When questioned Mrs H provided the following responses:

- She's sending the money to her Revolut account for travel purposes.
- She's had her Revolut account for a while but not used it much. But as she's started travelling again, she uses it for her currency exchange.
- She's making the payment of her own free will and no one has asked her to lie to the bank or provide a different reason for the payment.

Mrs H received another call from L the following day (13 May 2023) about the same payment and was again asked to confirm the reason for the payment and the payment purpose and she repeated the information she provided the day before.

On the 24 May 2023, L called Mrs H again, this time regarding an £8,000 payment she was trying to make to Revolut which was blocked. L again asked Mrs H various questions, such as, who she was making the payment to, how long has she had the account, reason for the payment, if anyone had contacted her to move this money or told to lie to L for any other reason.

Mrs H provided the following responses:

- She's sending money to her other account, as she does all her shopping with that account now.
- She's had her Revolut account for a couple of months now.
- She's making the payment because she travels a lot and it has good currency rates for transfers and shopping.
- And no one had contacted her to move the money or told her to lie to L for any other reason.

On 15 June 2023, L blocked Mrs H's account again after she attempted to make a £10,000 payment to her Revolut account. She was asked to visit a branch for further checks and to verify the transaction she was making before L were satisfied to unblock her account, which she did. Whilst in the branch, Mrs H was also asked to speak with L's fraud team on the phone. I've listened to the call between Mrs H and L and they ask her various questions around why she has been sending quite a lot of money to her Revolut account recently in the last month or so.

Mrs H provided the following responses to the questions she was being asked:

- She had already told the colleague in branch that she is getting £120,000 worth of work done in extending her house, so the builders, electricians, all have Revolut accounts, so it's easier to pay them from her Revolut account. And as she doesn't want to pay them too much, she is paying them bit by bit, and this is the last payment, hence why it is a large amount.
- The work is due to be finished on Monday, so she wanted to give them some payment now and some after it's finished.
- The work had been going on for about 8 months and when it initially started, the project was meant to be around £93,000 but there is so much wrong with the house that it's costing more.
- She's hoping for the council to visit next week and sign it all off and give her the relevant certificates etc.
- She asked L if she could do £20,000 instead of the £10,000 as she was planning to send another £10,000 later anyway.
- The money had come from a premium bond, which she cashed in.
- She hadn't been told to download teamviewer or anything else on her device.
- No one else has access to her devices and as she's dealt with company accounts in her work, she knows what that's about.

Based on Mrs H's conversation with the advisor, both £10,000 payments were released and Mrs H's account was unblocked. L have also said Mrs H didn't say anything or her account activity didn't indicate she was vulnerable or suffering from any financial difficulty at the time she was making the payments.

While I'm sympathetic to Mrs H's situation, L took reasonable and proportionate steps to protect her from the risk of fraud or a scam. But sadly, Mrs H failed to respond positively to the warnings she was provided. And the failure to disclose the involvement of a third party prevented L from knowing the true circumstances of the £20,000 payment – thereby limiting their ability to uncover the scam. Because, of this, and having reviewed the scam chats, Mrs H seems to have been so heavily under the influence of the scammer at such an early stage, I'm not persuaded that Revolut would have been able to uncover the scam even if it intervened earlier on the payments she made from Revolut as Mrs H has suggested. I am also persuaded Mrs H would have continued providing credible answers to reassure Revolut

as she did with L, as I've seen no evidence the scammers influence over Mrs H was starting to wane as the scam progressed, I do not think Revolut could have prevented her loss.

Mrs H has also mentioned being vulnerable to the scam, due to her age. And she had told Revolut that she was not technologically savvy, so it should have carried out further due diligence before allowing payments to leave her account. I appreciate Mrs H could potentially have been more vulnerable to a scam due to her age, however, having thought about this, I don't think Mrs H's age at the time she made the payments was enough of an indicator to suggest she was falling victim to a scam. Also, there wasn't anything to indicate from her interactions with Revolut, M, or the calls she had with L, that she was making the payments under pressure from a third party. And so, I wouldn't have expected Revolut to have done anything further in these circumstances.

Mrs H has referenced decisions that she believes are close to her circumstances. However, we consider each case on its own individual merits and although she believes the circumstances of other decisions seem to be similar, there are key differences.

I've also noted the comments of Mrs H about the Financial Conduct Authority's Consumer Duty and I've taken account of Revolut's obligations following its introduction on 31 July 2023, which covers some of the payments which Mrs H carried out as part of the scam. But I'm not persuaded this changes the outcome here. While Revolut was expected to avoid causing her foreseeable harm, I'm not persuaded its actions (or failure to act) were the cause of the harm she has said she suffered, nor do I think that harm was reasonably foreseeable given the information that was available to Revolut at the time Mrs H made the payments.

On a final note, I've considered whether, on being alerted to the scam, Revolut could have done anything more to recover Mrs H's losses, but I don't think they could. Revolut had no method of recovery for the crypto withdrawals. And in respect of the payment to the crypto provider, these funds had already been forwarded on to the scam. So, there wouldn't have been any funds remaining. And even if there had been, they would've been accessible to Mrs H. Revolut have also said regarding the bank transfers, they contacted the beneficiary bank, however, they didn't receive any response to confirm if any funds were available or not. So, I wouldn't have expected Revolut to have done anymore.

I have a great deal of sympathy for Mrs H and the loss she's suffered. But it would only be fair for me to direct Revolut to refund her loss if I thought they were responsible – and I'm not persuaded that this was the case. And so, I'm not going to tell Revolut to do anything further.

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 H to accept or reject my decision before 9 March 2026.

Israr Ahmed
Ombudsman