

## **The complaint**

Ms C complains Revolut won't refund money she lost as part of a crypto investment scam.

Ms C is supported in making her complaint by a representative, but for ease, I'll refer to Ms C throughout this decision

## **What happened**

Ms C has explained that she was looking to invest and came across a trading company online (which I'll refer to here as 'T') being advertised by a prominent celebrity money advice expert.

Ms C has said that before deciding to invest, she checked 'T's website, as well as checking online reviews and believed she was dealing with a genuine company. Unfortunately, it seems the trading company Ms C was dealing with was a clone of a legitimate FCA registered company.

After making an initial small investment, Ms C was contacted by a broker from 'T' (the scammer) who promised her high rates of return. Ms C has said the scammer told her to download remote access software, open accounts with legitimate crypto exchanges, and to open an account with Revolut.

Ms C opened an account with Revolut on 24 May 2024 and transferred funds to that account via existing accounts with two different banking providers (Bank F and Bank C) to facilitate the scam payments. To fund the scam, Ms C also took out several loans which were paid into her account with Bank F.

Between 14 June and 8 August 2024 Ms C made several transfers (ranging from £1,000 to £52,500) totalling just under £200,000 from her Revolut account to accounts in her name with legitimate crypto exchanges. From there the funds were forwarded on to 'T' and unfortunately lost to the scam.

During the transactions, Revolut provided Ms C with written warnings specific to crypto investment scams and spoke to her on several occasions. Satisfied with the responses Ms C provided, Revolut released the payments.

Ms C has explained that she could see from her account with 'T' that her profits were increasing, and that when she wanted to make withdrawals, the scammer said she needed to make further payments, which she funded by way of loans. Ms C thought her profits would then be returned to her and the loans repaid, but when this didn't happen and the scammer stopped contact, she realised she'd been scammed.

Ms C reported the matter to Revolut. In summary, she thought Revolut hadn't done enough to protect her. Revolut thought it had done nothing wrong and that it had taken appropriate and proportionate action to protect Ms C and to try and recover her funds.

Unhappy with Revolut's response, Ms C referred her complaint to the Financial Ombudsman.

One of our Investigators considered the complaint but didn't uphold it. Essentially, she didn't think any further intervention from Revolut would've likely prevented Ms C's loss. She explained that Revolut had provided proportionate warnings to Ms C about several of her payments – none of which resonated with her as they should've done.

Our Investigator also noted that Ms C had misled Revolut, albeit because she was being guided by the scammer. And that Ms C had been under the impression she was dealing with a legitimate FCA regulated trading company, all of which contributed to Revolut being unable to uncover the scam.

Finally, our Investigator thought there was no reasonable prospect of Revolut being able to recover the lost funds at the point it was alerted to the scam. Nor did she think there were grounds for Revolut to compensate Ms C for the trouble and upset caused.

Ms C disagreed and asked for an Ombudsman's final decision. In short, she said Revolut should've spoken to her about the payments sooner than it did, saying at which point Revolut's warnings would've been more impactful given the scam was in its early stages.

Looking next at the interventions from Revolut, Ms C didn't believe it had gone far enough in probing her responses or in identifying she was at foreseeable risk of financial harm. In particular, she referred to her age and how she'd made it clear to Revolut that she'd had trouble hearing and understanding its questions.

Ms C added that her continued reference to not being well acquainted with crypto, and that she was being assisted in making the transactions, should've been of great concern to Revolut.

Ms C also said that Revolut should've got her to confirm the funds were remaining within in her control in her crypto exchange accounts. And despite sharing a screenshot with Revolut of 'T's trading platform, Revolut hadn't questioned her about this, nor had it recognised that the platform had all the hallmarks of a scam trading company.

Ms C said this was evidence that Revolut hadn't done enough to protect her given:

*"it received what was clearly an image of the scam [she] was falling victim to yet simply ignored it".*

Ms C also suggested it would've been appropriate for Revolut to have advised that she check the FCA warning list, at which point she'd have seen warnings about 'T' being a cloned firm.

Finally, Ms C referenced other cases upheld by the Financial Ombudsman in support of her complaint.

### **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've reached the same conclusion as our Investigator and for largely the same reasons. I'll explain why.

But first, I would like to say that if there's a submission I've not addressed; it isn't because I've ignored the point. It's simply because my findings focus on what I consider to be the central issues in this complaint – that being whether Revolut was responsible for Ms C's loss.

I should also point out that whilst being mindful of previous decisions made by the Financial Ombudsman, I review each case on its own merits. And although, for background and context, I've considered Ms C's complaints about Bank F and Bank C, my findings here relate only to the actions of Revolut.

As a starting point, Ms C doesn't dispute that the payments were made in line with her instructions to Revolut. So, although she didn't intend the money to go to the scammer and believed that her money was going to a legitimate investment, under the PSRs and the terms of her account, Ms C is presumed liable for her loss in the first instance.

However, taking into account the regulatory rules and guidance including the Consumer Duty, 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 reasonably to have held such suspicions or concerns in relation to Ms C's payments (individually or collectively) — and if so, what might've been expected from a proportionate intervention.

So, taking all of this into account, I need to decide if Revolut acted fairly and reasonably in its dealings with Ms C when she made the payments. Specifically, whether it should've done more than it did before processing the payments – and if it had, would that have made a difference. I also need to decide if Revolut could've reasonably recovered the lost funds.

### Should Revolut have intervened in the payments?

When considering this point, I've kept in mind that EMIs, such as Revolut, process high volumes of transactions each day, and that there's 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 should also add that this was a newly opened account, so Revolut had no previous account activity to compare the disputed transactions to. Ms C also said the account would be used for transfers and crypto, as was the case here – and many of Revolut's customers use their accounts to legitimately invest in crypto.

Revolut provided a written warning to Ms C about her first payment made on 14 June 2024 (£1,000). She confirmed that she trusted the payee, was making the transaction herself, wasn't being told to ignore warnings, and that the payment was part of an investment in crypto.

Revolut then provided Ms C with a tailored written warning which displayed common hallmarks of a crypto investment scam. Ms C wanted the payment to continue, despite Revolut putting it on hold for three hours to enable her to fully digest the warning. Revolut then processed the £1,000 payment, and a £3,000 payment made to the same payee on 27 June 2024.

Ms C thinks Revolut should've done more in relation to these first two payments, but I don't agree. The £1,000 payment was of a relatively low value (bearing in mind also that Revolut had no previous account activity to compare this payment to), and it was in line with the stated account purpose (transfers and crypto). Because of that, I find that Revolut asked questions about this payment and provided a warning to Ms C that I believe to be proportionate to the risk this payment presented.

The £3,000 payment was of a higher value but was to the same payee as the £1,000 payment which had been made almost two weeks before. Because of that, and because Revolut had likely been reassured by Ms C's responses to its crypto related warnings in relation to the £1,000 payment, I don't think, on balance, it was unreasonable for Revolut to have processed the £3,000 payment without question.

But even if it had intervened in the same way it did for the £1,000, I think it's likely Ms C would've provided the same reassuring responses to Revolut to allow the payment to be processed.

Where there is an interaction between a customer and Revolut before a high value payment is processed, I'd expect Revolut to take reasonable steps to understand the circumstances of that payment. And so, I think it was right for Revolut to find out more about three of Ms C's payments (£5,000 on 28 June 2024, £10,000 on 17 July 2024 and £25,000 on 25 July 2024), given their value, a change in payee, the velocity of the payments overall, and because they were identifiably linked to crypto.

With all that in mind, I've considered carefully whether Revolut went far enough when it questioned Ms C about her payments.

In relation to the £5,000 payment on 28 June 2024, Revolut first reached out to Ms C via its chat function. It wanted to see evidence of her crypto and trading accounts of which she was able to provide some of the information, including a screenshot of her 'T' account. Ms C has said that Revolut should've questioned this, given it showed she was sending funds to an investment platform and that the screenshot clearly showed the investment platform was fake.

I don't agree with Ms C here. Genuine crypto investment companies do exist, and it appears that 'T' was a clone of an FCA regulated firm where crypto investment was an option. Revolut does need to be alive to hallmarks of investment scams, but I can't say this screenshot alone was clear evidence that Ms C was falling victim to a scam as it had the appearance of a genuine trading platform.

But in any event, Revolut clearly did have some concerns about the information Ms C had provided and didn't release the £5,000 payment until obtaining further information from her over the phone.

During this call, Ms C confirmed that no unknown third party was involved and that she'd opened the crypto accounts herself over which she had full control. She said trusted friends she'd known for around 18 years and who'd invested in crypto before were helping her, and she was able to explain her investment strategy with regards to making withdrawals once the investment had grown.

Revolut provided Ms C with clear warnings about fake trading platforms, a third party investing on someone's behalf and the use of remote access software. It also spoke about being pressured to invest increasingly more funds and to make payments to enable withdrawals. Ms C acknowledged Revolut's warnings, and the payment was processed.

When Revolut spoke to Ms C about a £10,000 payment on 17 July 2024, she maintained her position that she wasn't being guided to make the payment and was able to clearly articulate to Revolut why she was using a different crypto exchange, having conducted her own research, had advice from a colleague who'd seen good returns, and success she'd had in the past. Ms C also reiterated her investment plans – including that she had no intention of making withdrawals at this time, but that she was able to do so.

Revolut then provided Ms C with a detailed crypto investment scam warning which included specific reference to the involvement of a third party and the use of remote access software. It also specially warned about scammers guiding and coaching their victims on what to say to banks for payments to be released. Revolut also said to Ms C:

*“Sometimes what happens, to build trust they (scammers) may add you to a group of investors talking about their earnings and the people who are talking in the WhatsApp or Telegram group, they're also the scammers. Or they may allow you to withdraw some funds in the first (instance) to entice you to deposit more and sometimes they impersonate known institutions or authorities to get you to send more money by telling you that you must pay fees, commissions or taxes. You have to be extra cautious in the case of celebrity endorsements because they can use the name of celebrities”.*

Ms C responded by acknowledging the warning and said she *“liked to think she was pretty careful”*.

Communication continued between Ms C and Revolut via its chat function where she was asked more about her understanding of crypto. She was then provided with a further crypto investment scam warning reiterating the points around being guided on how to respond to warnings. Ms C replied by saying *“I am making my investments alone and I want to complete this transaction... (and) she wasn't planning to send the funds anywhere from the platform.”*

The payment was then processed.

In a call about the £25,000 payment on 25 July 2024, Revolut said it was “*crucial she informed them if anyone was guiding her with her responses as it was essential for the security of her funds*”. Ms C reiterated what she’d told Revolut previously, about carrying out her own research and her investment experience. Revolut said there was a high chance this payment was linked to a scam – and that she could lose her money. Ms C acknowledged and accepted Revolut’s warning. The payment was then processed.

Ms C has said the fact she’d referred to the involvement of friends and colleagues when asked about the investment should’ve been of concern to Revolut. But arguably this was of some concern to Revolut, in that it attempted to tease out more information from Ms C by repeatedly warning her about the risks associated with an unknown third party being involved.

Further to that, as I said above, many of Revolut’s customers legitimately invest in crypto, and it’s quite feasible that this could come about through someone known to the investor. This, in my opinion, is a different scenario to a third party previously unknown to a person acting as an account manager guiding the investment process. This was something Ms C didn’t disclose to Revolut, despite it being relevant to her situation; and she repeatedly said she was making the investment alone.

Ms C has also raised concerns around her understanding of some of Revolut’s questions and the difficulty she had hearing the conversation. I accept there are some periods during the calls where this is evident – but I don’t think it caused any obvious detriment or undermined the significance of Revolut’s warnings as Revolut repeated things when needed. Revolut also provided several warnings, relevant to the situation Ms C was in, in written form within its chat function.

Overall, having listened to the telephone calls and looked at the chat history, I think Revolut took proportionate steps to satisfy itself that Ms C wasn’t at risk of financial harm when it intervened in these payments. It asked her the questions I’d expect it to ask in connection with crypto investment scams; alerting her to the key hallmarks of such scams, and Ms C provided confident, specific and consistent responses.

I do however agree with our Investigator that arguably Revolut should’ve questioned Ms C again about subsequent payments given their increased value. But as I’ll go on to explain, I’m not persuaded that *any* level of further intervention by Revolut in any of Ms C’s scam payments would’ve likely prevented her loss.

*Would further intervention by Revolut have prevented Ms C’s loss?*

For me to find it fair and reasonable that Revolut should refund the payments to Ms C would require more than a finding that it should’ve done more to intervene when she made her payments. Crucially, I’d also need to find that but for that failure, the subsequent loss would’ve been avoided.

I’ve given this very careful thought and agree with our Investigator for the following reasons:

- This was a sophisticated scam. ‘T’ was a clone of a legitimate FCA regulated company, and whilst there was an FCA warning about this, it isn’t easily located, with most online searches providing links to the genuine company. So, if Revolut had suggested to Ms C that she check the FCA register, I don’t think it’s likely she’d had seen anything of concern, and if she did, I think this would’ve likely been allayed by the scammer given she’d sought advice and guidance from the scammer before – and at no point questioned the advice the scammer gave.
- Revolut warned Ms C several times about the use of remote access software, being guided by a third party, pressure to invest, and being coached on how to respond to warnings. Revolut repeatedly told Ms C that these are not the actions of a legitimate

trading company and were indicative of a scam, but despite them all applying to her situation, Ms C continued with her payments.

- Ms C and the scammer were in regular contact throughout the investment period. She asks for help making payments and sourcing funds.
- There's significant and clear evidence to demonstrate that the scammer was guiding Ms C on what to say when challenged about the payments by Revolut. She shares Revolut's requests for information with the scammer, specifically asking how to respond, and updates the scammer on what's happening.
- When asked for information from a crypto exchange, Ms C and the scammer work together to formulate email responses.
- When Ms C receives emails purporting to be from Revolut (but seemingly part of the scam) requesting payments for liquidity and anti-money laundering requirements, she again seeks the advice of the scammer – rather than Revolut. This took place between 19 and 22 July 2024, so around the time Ms C was in contact with Revolut about her payments. So, she had the opportunity to raise this with Revolut, which she didn't. If she had, the scam would've likely been uncovered.
- Ms C is looking to make a withdrawal around the 23 July 2024 and is told this will happen when a payment to satisfy liquidity and anti-money laundering requirements has been released. She expresses concern to the scammer about the impact Revolut's interventions are having on her ability to get payments made promptly. Again, around this time, Ms C was in contact with Revolut but she doesn't mention that she's been told she needs to make a payment for her funds to be released.
- With the help of the scammer, Ms C takes out several loans to fund the withdrawal fees. Throughout this time, the scammer assures Ms C that she'll receive her funds, and the loans will be repaid. Ms C never questions this.
- I've seen evidence to show that Ms C wasn't honest with loan companies about the true purpose of the loans – further demonstrating her intention to obtain funds through whatever means to fund the scam.

All this leads me to conclude that it's more likely than not, on balance, that Ms C would've proceeded with her payments – even if Revolut had gone further in alerting her to the risks involved and the checks she should make. Ms C was clearly completely under the spell of the scammer – at no time questioning the advice she'd been given, despite clear warnings from Revolut about the prevalence of coaching and cover stories being used as part of investment scams.

Taking all this into account, I'm not persuaded, in the circumstances of this complaint, that any proportionate intervention from Revolut would've likely prevented Ms C's loss on any of her payments.

#### *Did Revolut do enough to try and recover the lost funds?*

In terms of Revolut's attempts to recover the lost funds at the point it was alerted to the scam; I also agree with our Investigator here. Revolut attempted recovery but this was unsuccessful. The payments were sent to crypto exchanges in Ms C's own name and, in her control, and then onto the scammer. So, no funds remained, but if they had, they would've been available for Ms C to access.

I have a great deal of sympathy for Ms C and the loss she's suffered, as I appreciate it is a significant sum of money. But it would only be fair for me to direct Revolut to refund her loss if I thought it was responsible – and I'm not persuaded that this was the case. For the above reasons, I think Revolut has acted fairly and so I'm not going to tell it to do anything further.

### **My final decision**

For the reasons given above, my final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms C to accept or reject my decision **before 20 February 2026**.

Anna Jackson  
**Ombudsman**