

The complaint

Mr R complains that Revolut Ltd didn't do enough to protect him from the financial harm caused by a recovery scam, or to help him recover the money once he'd reported the scam to it.

What happened

The detailed background to this complaint is well known to both parties. So, I'll only provide a brief overview of some of the key events here.

In 2018/2019, Mr R lost money to an investment scam. A few years later, he was contacted by scammers who claimed to be able to assist him to recover the funds he'd lost in the previous scam. Mr R checked the details of the various companies and found positive information online, which reassured him he wasn't being scammed again.

He was told by scammer's that the funds he'd invested had been converted into cryptocurrency and that he'd have to pay various fees and taxes for them to be released. He was advised to first purchase cryptocurrency through a cryptocurrency exchange company and then load it onto an online wallet. Between 21 October 2022 and 7 November 2023, he made 29 debit card payments to several cryptocurrency merchants totalling nearly £80,000.

Mr R began to suspect he was the victim of a scam when he didn't receive his funds and the scammers kept asking for more money. He complained to Revolut with the assistance of a representative who said that if it had questioned him about the payments, it would have detected the scam, and his loss would have been prevented.

Revolut said that chargeback claims were rejected because the payments were authorised via 3DS and so Mr R complained to this service with the assistance of his representative who said the scam companies were clones of genuine companies and Mr R was susceptible to financial harm due to his age.

Responding to the complaint, Revolut explained that its security systems flagged a payment on 21 February 2023 and Mr R engaged in a live chat with one of its agents on 23 February 2023 and Mr R's responses prevented it from detecting the scam and further interventions would have met with similar responses.

Our investigator didn't think the complaint should be upheld. He thought Revolut ought to have intervened on 17 February 2023 because Mr R was paying a known cryptocurrency exchange, but he didn't think this would have made a difference. He was satisfied that the intervention on 23 February 2023 was proportionate, but Mr R had insisted he was acting independently, and his frustration, urgency, and lack of transparency limited the effectiveness of the intervention. And his misleading responses obstructed Revolut's ability to identify the scam. He was satisfied that Mr R had multiple opportunities to disclose accurate information that could have helped Revolut identify the scam and his actions reflected a conscious decision to mislead Revolut.

He noted that the messages with the scammer showed Mr R was repeatedly misled and emotionally manipulated, and that he continued to engage with the scammers, even as he began to suspect wrongdoing. And the fact he concealed his actions from his wife, showed he placed more trust in the scammer, so he didn't think there was anything Revolut could have done to stop the scam.

Mr R has asked for his complaint to be reviewed by an Ombudsman. His representative has argued that Revolut's questions on 23 February 2023 weren't sufficiently in-depth or probing and that his answers weren't intentionally misleading. They've explained that, even though he downloaded AnyDesk, he didn't use it, and some of the questions were confusing.

The representative maintains that Mr R wasn't coached to lie and the fact he didn't tell his wife about the situation is irrelevant. Finally, they've argued that an elderly person investing in cryptocurrency should have been a red flag.

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'm sorry to hear that Mr R has been the victim of a cruel scam. I know he feels strongly about this complaint, and this will come as a disappointment to him, so I'll explain why.

I'm satisfied Mr R 'authorised' the payments for the purposes of the of the Payment Services Regulations 2017 ('the Regulations'), in force at the time. So, although he didn't intend the money to go to scammers, under the Regulations, and under the terms and conditions of his bank account, Mr R is presumed liable for the loss in the first instance.

There's no dispute that this was a scam, but although Mr R didn't intend his money to go to scammers, he did authorise the disputed payments. Revolut is expected to process payments and withdrawals that a customer authorises it to make, but where the customer has been the victim of a scam, it may sometimes be fair and reasonable for the bank to reimburse them even though they authorised the payment.

Prevention

In broad terms, the starting position at law is that an Electronic Money Institution ("EMI") such as Revolut is expected to process payments and withdrawals that a customer authorises it to make, in accordance with the Payment Services Regulations (in this case the 2017 regulations) and the terms and conditions of the customer's account.

But, taking into account relevant law, regulators rules and guidance, relevant codes of practice and what I consider to have been good industry practice at the time, I consider it fair and reasonable in February 2023 that Revolut should:

- have been monitoring accounts and any payments made or received to counter various risks, including 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 firms 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, or provided additional warnings, before processing a payment;
- have been mindful of – among other things – common scam scenarios, how the fraudulent practices are evolving (including for example the common use of multi-stage fraud by scammers, including the use of payments to cryptocurrency accounts as a step to defraud consumers) and the different risks these can present to consumers, when deciding whether to intervene.

I've thought about whether Revolut could have done more to prevent the scam from occurring altogether. Buying cryptocurrency is a legitimate activity and from the evidence I've seen, the payments were made to genuine cryptocurrency exchange companies. However, Revolut ought to fairly and reasonably be alert to fraud and scams, so I need to consider whether it did enough to warn Mr R when he tried to make the payments. If there are unusual or suspicious payments on an account, I'd expect Revolut to intervene with a view to protecting Mr R from financial harm due to fraud.

Revolut stopped a payment on 21 February 2023, and I agree with our investigator that Revolut ought to have intervened on 17 February 2023 when Mr R made a payment for £6,100. But based on what happened when it intervened a few days later, I don't think an earlier intervention would have stopped the scam.

I'm satisfied that the intervention was proportionate and that Revolut asked relevant and probing questions during the live chat on 23 February 2023. Responding to the questions, Mr R said he hadn't shared his device, he hadn't received any unusual text messages or links, he hadn't received any calls or been asked to download any apps, he hadn't been contacted or encouraged to invest by someone he didn't know or had met online, and he didn't use any finance managing or shared wallet applications. He also said he'd done research and understood what he was doing, he was sending the funds to his own platform, and he hadn't decided if he was buying cryptocurrency.

I've thought about Mr R's responses, and I agree this prevented Revolut from detecting the scam. I accept he might not have used the screensharing application, but he was contacted by third parties who had asked him to download screensharing apps and he was sending funds to cryptocurrency platforms to recover funds he'd lost to a previous scam, and if he'd mentioned this, I'm satisfied Revolut would have detected the scam. I'm also satisfied he'd have given the same responses if he'd been asked the same questions a few days before.

I do have concerns that Mr R wasn't given a tailored warning about cryptocurrency investment scams, but I don't think this would have made any difference because he didn't consider he was investing in cryptocurrency and so I don't think this would have resonated with him. It's also clear from Mr R's comments in the chat that he was keen to make the payments and frustrated at what he perceived were unnecessary delays on Revolut part.

In addition, Mr R trusted the scammers to the extent that he didn't disclose to Revolut that he was making the payments to recover funds he'd lost in a previous scam. So, I think he'd likely have discussed any concerns with the scammer and continued to make payments to the scam. So, while I think Revolut should have intervened on 17 February 2023, I don't think this represented a missed opportunity to have prevented his loss.

I've considered whether there were any further opportunities to intervene and I think there were. For example, on 14 July 2023, Mr R sent a total of £16,063 across five payments, which ought to have raised concerns. At this time, a proportionate response would have been for Revolut to have asked Mr R some questions designed to identify the scam risk and

to then give him a warning according to the scam risk identified. But for the reasons I've outlined above, I don't think he'd have disclosed that he was making payments to recover his lost funds, and so Revolut wouldn't have known to give him a warning about recovery scams. So, the outcome would have been the same.

Finally, I haven't seen any evidence that Revolut was on notice that Mr R should be considered vulnerable and so there's no reason why any of these payments ought to have been treated differently.

Recovery

I don't think there was a realistic prospect of a successful recovery because Mr R paid accounts in his own name and moved the funds onwards from there.

I've also thought about whether Revolut could have done more to recover Mr R's card payments when he reported the scam to it. Chargeback is a voluntary scheme run by Visa whereby it will ultimately arbitrate on a dispute between the merchant and customer if it cannot be resolved between them after two 'presentments'. Such arbitration is subject to the rules of the scheme — so there are limited grounds on which a chargeback can succeed.

Our role in such cases is not to second-guess Visa's arbitration decision or scheme rules, but to determine whether the regulated card issuer (i.e. Revolut) acted fairly and reasonably when presenting (or choosing not to present) a chargeback on behalf of its cardholder (Mr R).

Mr R's own testimony supports that he used cryptocurrency exchanges to facilitate the payments. It's only possible to make a chargeback claim to the merchant that received the disputed payments. It's most likely that the cryptocurrency exchanges would have been able to evidence they'd done what was asked of them. That is, in exchange for Mr R's payments, they converted and sent an amount of cryptocurrency to the wallet address provided. So, any chargeback was destined fail, therefore I'm satisfied that Revolut's decision not to raise a chargeback request against either of the cryptocurrency exchange companies was fair.

Compensation

The main cause for the upset was the scammers who persuaded Mr R to part with his funds. I haven't found any errors or delays to Revolut's investigation, so I don't think he is entitled to any compensation.

I'm sorry to hear Mr R has lost money and the effect this has had on him. But for the reasons I've explained, I don't think Revolut is to blame for this and so I can't fairly tell it to do anything further to resolve this complaint.

My final decision

For the reasons I've outlined above, my final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 3 March 2026.

Carolyn Bonnell
Ombudsman