

The complaint

Mr B is unhappy that Revolut Ltd won't reimburse money he lost to a scam.

What happened

In 2022 Mr B received a newsletter via email with financial advice, purportedly endorsed by a well-known consumer rights commentator. It provided a link to a cryptocurrency investment opportunity, through which Mr B first contacted the fraudsters. He was advised to purchase cryptocurrency from two different providers (I'll refer to as 'S' and 'B') and send it on to what turned out to be a fake investment platform. To facilitate that, the scammers told Mr B to open an account with Revolut, as it was 'cryptocurrency friendly' and would be unlikely to intervene (unlike his bank, 'L').

Over the course of seven months Mr B was persuaded to send almost £275,000 from his main bank account to his newly opened Revolut account, and from there to transfer the funds to the cryptocurrency providers, and eventually to scammer's wallet. He says the scammers helped him set up the wallets, which he never had full control over. Mr B did also receive credits from the fake investment of around £10,000, but that was mostly sent back out to be reinvested in the scam.

Mr B made the following payments as part of the scam:

Payment	Date	Time	Type of transaction	Amount
1	23 May 2022	3.26pm	Faster payment to S	£2
	24 May 2022	3.09pm	<i>Credit</i>	£114
2	24 May 2022	4.31pm	Faster payment to S	£10,000
3	14 June 2022	3.14pm	Faster payment to S	£5,000
4	16 June 2022	1.08pm	Faster payment to S	£85,000
	24 June 2022	11.24am	<i>Credit</i>	£8,272
5	24 June 2022	11.33am	Faster payment to S	£26,001
6	27 June 2022	1.48pm	Faster payment to S	£9,371
7	29 June 2022	2.13pm	Faster payment to S	£12,500
	11 July 2022	11.14am	<i>Credit</i>	£1,679
8	18 August 2022	10.37am	Faster payment to S	£4,200

9	22 August 2022	10.54am	Faster payment to S	£25,000
10	23 August 2022	11.02am	Faster payment to S	£13,720
11	25 August 2022	10.11pm	Faster payment to S	£14,700
12	25 November 2022	11.33am	Card payment to B	£25,000
13	29 November 2022	11.13am	Card payment to B	£29,000
14	20 December 2022	3.46pm	Card payment to B	£25,000
Total loss				£274,429

Revolut's system didn't detect that Mr B was at risk of fraud on any of the payments, and so it didn't intervene – except to provide a new payee warning on the first payment to S (for £2). Mr B's originating bank (L) spoke to him twice, prior to allowing the £10,000 and £85,000 payments to Revolut to go through. During those calls Mr B told his bank that he was considering moving his everyday banking to Revolut, having heard about the account from a friend, so was testing the features.

Mr B says the fake trading platform showed he was making considerable profits, and he was encouraged to send more fund as he was able to withdraw some of the profits at various points. He eventually 'invested' everything he had, but realised he'd been scammed when he couldn't access his balance.

In March 2023 Mr B contacted Revolut to report the scam. It contacted the beneficiary firms for the transfers, but no funds remained. Revolut also considered chargebacks for the final three card payments but those weren't successful either. Mr B raised a complaint that Revolut hadn't intervened to make fraud enquiries, particularly given how large some of the payments were. Revolut said it wasn't liable as Mr B had authorised the transactions, and it was obliged to follow his payment instructions. It also said it had done what it could to help recover the funds.

Mr B wasn't happy with the outcome of his complaint, so he referred matters to us for review. One of our investigators didn't think Revolut had intervened to carry out fraud checks when it should have. In his view, the risks evident meant Revolut should have spoken to Mr B before allowing the large payment on 16 June 2022, and had it done the scam would have likely been uncovered. The investigator acknowledged that Mr B wasn't entirely forthcoming with the originating bank, but didn't think the same cover story would have been available to him if Revolut had questioned the payments. He didn't think there was as much reason for Mr B to mislead Revolut either (given the perceived friendliness towards cryptocurrency related activity). For those reasons, the investigator thought the complaint should be upheld – but he also felt Mr B should share responsibility for the loss. That's because clear warning signs that the opportunity might not be legitimate had been missed, so the investigator recommended a 50% deduction be applied to the refund.

Mr B was disappointed but accepted the outcome. Revolut disagreed that it was responsible for any of the loss. It raised the following arguments in response to the view:

- Departures from the law must be acknowledged and explained. Revolut felt our service had at times incorrectly stated (expressly or impliedly), the duty owed by Revolut to its customers who have been the victims of scams. There were limited

circumstances in which Revolut was obliged by law to reimburse victims of fraud. Given the recent consideration of the law in this area by the Supreme Court, and the comprehensive statutory scheme in place, any decision to rebalance the risk should be Parliament's (rather than ours).

- Revolut does not owe a duty to prevent fraud or scams. It is contractually and legally bound to execute valid payment instructions, with limited exceptions. Revolut recognised its obligations to have adequate procedures in place to counter the risks of further financial crime (and it does have those), but that duty doesn't go as far as requiring Revolut to detect and prevent all fraud.
- The reimbursement codes and rules do not generally apply. Revolut was not a signatory to the voluntary code that preceded the mandatory reimbursement rules, and the Payment Services Regulator (PSR) mandatory scheme wasn't in force at the time of these transactions (and isn't retrospective).
- These "self-to-self" transactions (ones sent an account in Mr B's name) did not meet the definition of Authorised Push Payment (APP) fraud. For us to effectively apply the reimbursement rules to self-to-self transactions is an error in law. Revolut was also concerned it had been left "holding the baby", as we have concluded the third party businesses (where funds are sent to) are outside of our jurisdiction to review, as they are not authorised, or the activity isn't regulated (particularly where funds are sent to accounts at cryptocurrency exchanges).
- Under the mandatory reimbursement rules, if a customer has acted with gross negligence it will be exempt from refunding the fraudulent transactions. Revolut argued Mr B had failed to conduct sufficient due diligence prior to investing, and so had acted grossly negligent. It also said it would be irrational for us to direct Revolut to pay a 50% refund if we hadn't given due regard to the effective warnings given. Revolut added that given Mr B had misled the originating bank about the true nature of the payments, he would have done so again had it intervened – so it wasn't fair or reasonable for it to be held liable.

The investigator reviewed the responses but maintained his opinion on how things should be resolved. As no agreement could be reached, Revolut requested for an Ombudsman to make a final decision on the matter. So, the complaint was passed to me for review.

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.

In deciding what's fair and reasonable, I am required to take into account relevant law and regulations, regulators' rules, guidance and standards, and codes of practice; and, where appropriate, I must also take into account what I consider to have been good industry practice at the time.

In broad terms, the starting position at law was that an Electronic Money Institution ("EMI") such as Revolut was 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.

And, as the Supreme Court has recently reiterated in *Philipp v Barclays Bank UK PLC*, subject to some limited exceptions, banks have a contractual duty to make payments in compliance with the customer's instructions.

In that case, the Supreme Court considered the nature and extent of the contractual duties owed by banks to their customers when making payments. Among other things, it said, in summary:

- The starting position is that it is an implied term of any current account contract that, where a customer has authorised and instructed a bank to make a payment, it must carry out the instruction promptly. It is not for the bank to concern itself with the wisdom or risk of its customer's payment decisions.
- At paragraph 114 of the judgment the court noted that express terms of the current account contract may modify or alter that position. In *Philipp*, the contract permitted Barclays not to follow its consumer's instructions where it reasonably believed the payment instruction was the result of APP fraud; but the court said having the right to decline to carry out an instruction was not the same as being under a legal duty to do so.

In this case, the terms of Revolut's contract with Mr B modified the starting position described in *Philipp*, by expressly requiring Revolut to refuse or delay a payment "*if legal or regulatory requirements prevent us from making the payment or mean that we need to carry out further checks*".

So Revolut was required by the implied terms of its contract with Mr B and the Payment Services Regulations to carry out his instructions promptly, except in the circumstances set out in its contract, which included where regulatory requirements meant it needed to carry out further checks.

Whether or not Revolut was required to refuse or delay a payment for one of the reasons set out in its contract, the basic implied requirement to carry out an instruction promptly did not in any event mean Revolut was required to carry out the payments immediately¹. Revolut could comply with the requirement to carry out payments promptly while still giving fraud warnings, or making further enquiries, prior to making the payment.

And, I am satisfied that, taking into account longstanding regulatory expectations and requirements and what I consider to have been good industry practice at the time, Revolut should in 2022 fairly and reasonably have been on the look-out for the possibility of fraud and have taken additional steps, or made additional checks, before processing payments in some circumstances (irrespective of whether it was also required by the express terms of its contract to do so).

In reaching the view that Revolut should have been on the look-out for the possibility of fraud and have taken additional steps, or made additional checks, before processing payments in some circumstances, I am mindful that in practice all banks and EMI's like Revolut did in fact seek to take those steps, often by:

- using algorithms to identify transactions presenting an increased risk of fraud;²
- requiring consumers to provide additional information about the purpose of transactions during the payment authorisation process;
- using the confirmation of payee system for authorised push payments;
- providing increasingly tailored and specific automated warnings, or in some circumstances human intervention, when an increased risk of fraud is identified.

¹ The Payment Services Regulation 2017 Reg. 86(1) states that "the payer's payment service provider must ensure that the amount of the payment transaction is credited to the payee's payment service provider's account **by the end of the business day following the time of receipt of the payment order**" (emphasis added).

² For example, Revolut's website explains it launched an automated anti-fraud system in August 2018: https://www.revolut.com/news/revolut_unveils_new_fleet_of_machine_learning_technology_that_has_seen_a_fourfold_reduction_in_card_fraud_and_had_offers_from_banks/

I am also mindful that:

- Electronic Money Institutions like Revolut are required to conduct their business with “due skill, care and diligence” (FCA Principle for Businesses 2), “integrity” (FCA Principle for Businesses 1) and a firm “must take reasonable care to organise and control its affairs responsibly and effectively, with adequate risk management systems” (FCA Principle for Businesses 3)³.
- Over the years, the FCA, and its predecessor the FSA, have published a series of publications setting out non-exhaustive examples of good and poor practice found when reviewing measures taken by firms to counter financial crime, including various iterations of the *“Financial crime: a guide for firms”*.
- Regulated firms are required to comply with legal and regulatory anti-money laundering and countering the financing of terrorism requirements. Those requirements include maintaining proportionate and risk-sensitive policies and procedures to identify, assess and manage money laundering risk – for example through customer due-diligence measures and the ongoing monitoring of the business relationship (including through the scrutiny of transactions undertaken throughout the course of the relationship). I do not suggest that Revolut ought to have had concerns about money laundering or financing terrorism here, but I nevertheless consider these requirements to be relevant to the consideration of Revolut’s obligation to monitor its customer’s accounts and scrutinise transactions.
- The October 2017, BSI Code⁴, which a number of banks and trade associations were involved in the development of, recommended firms look to identify and help prevent transactions – particularly unusual or out of character transactions – that could involve fraud or be the result of a scam. Not all firms signed the BSI Code (and Revolut was not a signatory), but the standards and expectations it referred to represented a fair articulation of what was, in my opinion, already good industry practice in October 2017 particularly around fraud prevention, and it remains a starting point for what I consider to be the minimum standards of good industry practice now (regardless of the fact the BSI was withdrawn in 2022).
- Revolut should also have been aware of the increase in multi-stage fraud, particularly involving cryptocurrency when considering the scams that its customers might become victim to. Multi-stage fraud involves money passing through more than one account under the consumer’s control before being sent to a fraudster. Our service has seen a significant increase in this type of fraud over the past few years – particularly where the immediate destination of funds is a cryptocurrency wallet held in the consumer’s own name. And, increasingly, we have seen the use of an EMI (like Revolut) as an intermediate step between a high street bank account and cryptocurrency wallet.
- The main card networks, Visa and Mastercard, don’t allow for a delay between receipt of a payment instruction and its acceptance: the card issuer has to choose straight away whether to accept or refuse the payment. They also place certain restrictions on their card issuers’ right to decline payment instructions. The essential effect of these restrictions is to prevent indiscriminate refusal of whole classes of

³ Since 31 July 2023 under the FCA’s new Consumer Duty package of measures, banks and other regulated firms must act to deliver good outcomes for customers (Principle 12), but the circumstances of this complaint pre-date the Consumer Duty and so it does not apply.

⁴ BSI: PAS 17271: 2017” Protecting customers from financial harm as result of fraud or financial abuse”

transaction, such as by location. The network rules did not, however, prevent card issuers from declining particular payment instructions from a customer, based on a perceived risk of fraud that arose from that customer's pattern of usage. So, it was open to Revolut to decline card payments where it suspected fraud.

Overall, 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 May 2022 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 – (as in practice Revolut sometimes does); and
- 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.

Whilst I am required to take into account the matters set out at DISP 3.6.4R when deciding what is fair and reasonable, I am satisfied that to comply with the regulatory requirements that were in place in May 2022, Revolut should in any event have taken these steps.

Should Revolut have recognised that Mr B was at risk of financial harm from fraud?

The first payment made to S, and from the account generally, was only for £2 – and, given the low value, I don't think Revolut ought to have thought Mr B was at risk of financial harm. However, the second payment to S was sent the following day and was for £10,000 – so a significant jump. The account was new, and so Revolut wouldn't have known Mr B usual spending patterns. But the amount involved meant a written warning covering general scam risks would have been appropriate prior to allowing the transaction. That warning wouldn't have necessarily highlighted risks that were relevant to Mr B's circumstances though, and he was completely convinced by the scammer (having received a credit from the investment already). So, I don't think that warning would have resonated with him enough to have prevented the transfer.

The next transfer sent as part of the scam was three weeks later, and was for the lower amount of £5,000. So, I don't think that payment ought to have concerned Revolut, given the gap since the last one and that a higher amount had previously been sent to that payee. However, the next transfer for £85,000 represented a serious escalation in amounts going out. The fact that the money funding the transaction had come in and gone straight out to S, and there was a pattern of that emerging, should also have prompted questions (about why he didn't send the payment straight from the originating bank). The account hadn't been open long, and had been used infrequently since then, so I accept that Revolut didn't have a lot of information to go on. But given the types of activity S undertakes (including unregulated ones like cryptocurrency services), and the risk presented by the very large

payment size, with a pattern developing of funds quickly passing through the account (indicative of multi-stage scams), Revolut ought to have made enquires with Mr B before allowing it (payment 4).

What did Revolut do to warn Mr B?

Revolut only gave one warning during the timeline of the scam, and that was for the first payment sent out on the account (to S). That was a typical new payee warning that asked if Mr B knew and trusted the recipient, and reminded him that fraudsters can impersonate others. Though it was going to a firm that provided cryptocurrency services (among other things), given the payment was for a low amount, the warning provided was proportionate to the small risk represented by that first transaction. But I consider the risk presented by the fourth payment meant further fraud intervention was required – and I've detailed below what ought to have happened in the circumstances.

What kind of fraud intervention should Revolut have undertaken?

Having thought carefully about the risk payment 4 presented, I think a proportionate response to that risk would be for Revolut to have attempted to establish the circumstances surrounding the payment before allowing it to debit Mr B's account. I think it should have done this, for example, by directing Mr B to its in-app chat to discuss the payment further. The risks presented by that transfer were sufficiently great to warrant some bespoke questioning, rather than rely on anything automated, and to allow for any evidence corroborating what Mr B was doing to be shared with Revolut and probed.

If Revolut had intervened in the way I've described, would that have prevented Mr B's losses from payment 4?

Had Revolut spoken to Mr B before allowing payment 4 I think, on balance, it's more likely than not the scam would have been uncovered and further losses prevented. When reaching that conclusion, I've factored in that Mr B mislead his originating bank (L) when it intervened on the corresponding transaction into the Revolut account. During the calls with L, including the conversation prior to allowing the £10,000 payment to Revolut, Mr B didn't reveal the true reason he was moving the funds – he said he was considering moving his banking to Revolut and trying out the features. Revolut, however, would have known more than L about the risks involved, as it could see the money was coming in and going straight out to S (possibly to be exchanged to cryptocurrency).

Mr B told us that he'd effectively been primed by the scammer not to reveal what he was doing to his bank, as it was against cryptocurrency and wanted to keep funds within the banking sphere. He was also told to open a Revolut account for the transactions to the cryptocurrency exchange as it was 'crypto-friendly' and unlikely to challenge what he was doing. Given how convinced Mr B was that the scam was genuine, and that he had no reason to hide what he was doing from Revolut (who weren't against cryptocurrency, like his bank), I think he would have likely explained the investment opportunity during an intervention. The earlier cover story wouldn't have been available to him either, as Revolut could see the payments were going to S.

Even if Mr B wasn't immediately forthcoming about the circumstances, I think the risks involved would have meant Revolut ought to have been asking for corroborating evidence of what he was doing (e.g. statements from S to show he had control over that account). Had that happened then Revolut would have seen the funds were being sent on after S, and been able to probe about the investment Mr B was likely involved in. If it couldn't be satisfied Mr B wasn't at risk, or there was an indication he was trying to hide what he was doing, then

Revolut would have needed to refuse the payments until it was satisfied. So, either way, the loss would have been prevented.

I think during the conversation that should have happened, several concerning aspects would have likely come to light, given I'm persuaded Mr B would likely have shared what he was doing. Those include the fact he was being guided by a third party broker, and told to send the funds through Revolut before exchanging to cryptocurrency and lie to his bank, as well as the very high returns promised (he'd made £114 from £2 in less than a day). Though some aspects of the scam were convincing, and Mr B had seen some 'returns', Revolut would have been alive to the indicators of a cryptocurrency investment scam, and multi-stage fraud, by this point – including that scammers often allow withdrawals to entice further payments. There were several negative mentions online too, available at time, about this particular investment that warned people this was a scam, which would have confirmed Revolut's suspicions.

Is it fair and reasonable for Revolut to be held responsible for Mr B's loss?

In reaching my decision about what is fair and reasonable, I have taken into account Mr B sent the money to a wallet at S in order to purchase cryptocurrency, rather than making a payment directly to the fraudsters. So, he had some control over the money after he made the payments from his Revolut account, and it required further steps before the money was lost to the fraudsters.

I have carefully considered Revolut's view that in a multi-stage fraud, a complaint should be properly considered only against either the firm that is a) the 'point of loss' – the last point at which the money (or cryptocurrency) remains under the victim's control; or b) the origin of the funds – that is the account in which the funds were prior to the scam commencing. Revolut says it is merely an intermediate link – being neither the origin of the funds nor the point of loss and it is therefore irrational to hold it responsible for any loss.

In reaching my decision, I have also taken into account that payment 4 was made to another financial business (one offering cryptocurrency services) and that the payments that funded the scam were made from another account at a regulated financial business.

But, as I've set out in some detail above, I think that Revolut still should have recognised that Mr B might have been at risk of financial harm from fraud when he made payment 4, and in those circumstances it should have made further enquiries before allowing the transfer. If it had discussed the payment with Mr B, I am satisfied it would have prevented the subsequent losses he suffered. The fact that the money used to fund the scam came from elsewhere and wasn't lost at the point it was transferred to Mr B's own account at S does not alter that fact and I think Revolut can fairly be held responsible for the loss in such circumstances. I don't think there is any point of law or principle that says that a complaint should only be considered against either the firm that is the origin of the funds or the point of loss.

I've also considered that Mr B has only complained against Revolut. I accept that it's *possible* that other firms might also have missed the opportunity to intervene or failed to act fairly and reasonably in some other way, and Mr B could instead, or in addition, have sought to complain against those firms. But Mr B has not chosen to do that and ultimately, I cannot compel him to. In those circumstances, I can only make an award against Revolut.

I'm also not persuaded it would be fair to reduce Mr B's compensation in circumstances where: he has only complained about one respondent from which he is entitled to recover his losses in full; has not complained against the other firms (and so is unlikely to recover any amounts apportioned to them); and where it is appropriate to hold a business such as Revolut responsible (that could have prevented the loss and is responsible for failing to do

so). That isn't, to my mind, wrong in law or irrational but reflects the facts of the case and my view of the fair and reasonable position.

Ultimately, I must consider the complaint that has been referred to me (not those which haven't been or couldn't be referred to me) and for the reasons I have set out above, I am satisfied that it would be fair to hold Revolut responsible for Mr B's loss from payment 4 (subject to a deduction for Mr B's own contribution to the loss which I will consider below).

Should Mr B bear any responsibility for his losses?

I've thought about whether Mr B should bear any responsibility for his loss. In doing so, I've considered what the law says about contributory negligence, as well as what I consider to be fair and reasonable in all of the circumstances of this complaint, including taking into account Mr B's own actions and responsibility for the losses he has suffered.

I recognise that there were sophisticated aspects to this scam, including a trading platform that looked very professional, and several calls with the scammers where various trades and investment options were explained in detail. I also note that Mr B did get some returns, including a relatively large payment of over £8,000, that would have made things seem more persuasive and plausible. The celebrity endorsement no doubt served as reassurance too.

But Mr B was investing a very large amount of money, without taking any independent advice. I appreciate he wasn't an experienced investor, and perhaps didn't know a lot about cryptocurrency trading, but the amounts involved here represent more than just a dabble in a new market. A serious commitment like this required some checks on Mr B's part, particularly given the promised returns (and ones he was seeing on the platform) ought to have seemed too good to be true – even based on what he might have heard about the money to be made in cryptocurrency. The opportunity had also come to him unsolicited, via an email newsletter that was seemingly unconnected to the celebrity endorser's own brand of consumer advice.

Had Mr B searched online for information about this investment platform, prior to making the largest payment (4), I'm satisfied he'd have seen the warnings posted on different websites that suggested this was a scam. Further searching would also have revealed the celebrity attached to the opportunity doesn't endorse particular products or investments. I think those red flags would have made Mr B think twice about investing, and prompted him to seek advice – which would ultimately have prevented the loss.

I've also thought about Mr B's interactions with L, and though I can appreciate why he wasn't forthcoming with his bank, in the context of what the scammer told him, I still think it ought to have struck him as odd that he was being asked to hide what he was doing. No legitimate investment firm would advise you to mislead another financial business, and it was Mr B's money to invest (legitimately) how he wanted. So, I don't think what the scammer said should have rung true (that L would stop him sending his money to a legitimate investment). There was a degree of hesitancy in the answers Mr B gave to L, which showed he wasn't comfortable doing it either.

Mr B's actions hampered L's fraud prevention processes. Not providing correct information during the calls to L stopped it from being able to uncover the scam, and use its knowledge of how this type of fraud works to provide effective warnings. So, I've factored that into my overall considerations of Mr B's responsibility in what happened.

For the avoidance of doubt, it is not my finding that Mr B knew that he was likely falling victim to a scam and went ahead anyway. Rather my finding is that I consider he could have realised from the information available to him, that there was a possibility that the investment

wasn't genuine – and I believe that was true by the time he made payment 4. In those circumstances it would not be fair to require Revolut to compensate him for the full amount of his losses. I've concluded, on balance, that it would be fair to reduce the amount Revolut pays Mr B in relation to the transactions from payment 4 onwards because of his role in what happened. Weighing the fault that I've found on both sides, I think a fair deduction is 50%.

I do not think the deduction made to the amount reimbursed to Mr B should be greater than 50% taking into account all the circumstances of this case. I recognise that Mr B did have a role to play in what happened, and it could be argued that he should have had greater awareness than he did that there may be something suspicious about the opportunity. But I have to balance that against the role that Revolut, an EMI (at the time) subject to a range of regulatory and other standards, played in failing to intervene. The mandatory reimbursement scheme rules aren't relevant to these transactions either – so 'gross negligence' isn't the standard to consider Mr B's actions against.

Mr B was taken in by a cruel scam – he was tricked into a course of action by a fraudster and his actions must be seen in that light. I do not think it would be fair to suggest that he is mostly to blame for what happened, taking into account Revolut's failure to recognise the risk that he was at financial harm from fraud, and given the extent to which I am satisfied that a business in Revolut's position should have been familiar with a fraud of this type.

Overall, I remain satisfied that 50% is a fair deduction to the amount reimbursed in all the circumstances of the complaint.

Could Revolut have done anything else to recover Mr B's money?

All the disputed transactions were sent to either S or B to buy cryptocurrency, which was then sent on to the scammer from there. So, any recovery attempts would have been unsuccessful, given the funds had been moved to the fake investment and none remained at the exchanges by the time the scam was reported. The final three payments to B were made by card, but I don't consider that chargebacks would have had any prospect of success. There's no dispute that B provided cryptocurrency to Mr B, which he subsequently sent to the fraudsters – so there wouldn't have been a reason code that a claim could succeed under, given the goods were provided.

Putting things right

For the reasons given above, I uphold this complaint in part and require Revolut Ltd to pay Mr B the amount resulting from the following calculations:

- 50% of the loss from payment 4 (inclusive) onwards, less any credits Mr B received from the scam after that point.
- The fake investment returns (credits) were sent back out to the scam soon after receiving them. So, for any credits received after payment 4, those amounts should be taken off of the total loss, prior to the deduction for contributory negligence (as those funds don't represent a separate additional loss, having been provided by the scammer).
- In order to do that, before the 50% is applied to transactions 5 and 8, Revolut should take off the amount of the credit received just before those two payments were sent. Revolut would then be responsible for refunding 50% of the amount remaining after that deduction from those two transactions.

- Revolut should apply 8% simple interest yearly (less any tax properly deductible⁵) to any refunds, calculated from the date of the transactions/loss to the date of settlement. I consider that 8% simple interest per year fairly reflects the fact that Mr B has been deprived of this money and that he might have used it in a variety of ways.

My final decision

My final decision is that I uphold Mr B's complaint in part, and direct Revolut Ltd to pay him redress, in the way I've set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 7 May 2025.

Ryan Miles
Ombudsman

⁵ If Revolut considers that it's required by HM Revenue & Customs to deduct income tax from that interest, it should tell Mr B how much it's taken off. It should also give Mr B a tax deduction certificate if he asks for one, so he can reclaim the tax from HM Revenue & Customs if appropriate.