

The complaint

Mr L complains that Revolut Ltd will not refund money he lost to a scam.

Mr L is represented by a firm, but for ease I have only referred to Mr L in this decision.

What happened

The details of this complaint are well known to both parties, so I won't repeat it all again here.

Mr L said he made the following payments towards what he thought was a legitimate cryptocurrency investment opportunity.

Payment	Date	Type of Transaction	Amount
1	23 March 2022	Card payment	£4,161.91 (fee - £15.81)
2	30 March 2022	Card payment	£4,300
3	07 April 2022	Card payment	£4,173.25 (fee - £15.87)
4	09 May 2022	Card payment	£9,930.67 (fee - £44.65)
5	12 May 2022	Card payment	£656.57 (fee - £3.28)
6	22 May 2022	Card payment	£20
7	24 May 2022	Card payment	£7,463.29 (fee - £37.32)
8	30 May 2022	Card payment	£12,260.01 (fee - £61.30)
9	30 May 2022	Card payment	£102.84 (fee - £0.51)
10	12 September 2022	Card payment	£9,000
11	19 September 2022	Card payment	£900
12	21 September 2022	Card payment	£500
	28 September 2022	Credits In	£91.41
13	30 September 2022	Card payment	£4,500
	11 October 2022	Credits In	£679.89
	02 November 2022	Credits In	£156.92
14	23 November 2022	Card payment	£900
15	05 December 2022	Card payment	£424.13
16	05 December 2022	Card payment	£57.15

17	11 December 2022	Card payment	£522.92 (fee - £5.23)
18	11 December 2022	Card payment	£12.26 (fee - £0.12)
19	11 December 2022	Card payment	£28.6 (fee £0.29)
20	11 December 2022	Card payment	£163.54
21	22 December 2022	Card payment	£4,415
22	27 December 2022	Card payment	£2,834.62
23	08 February 2023	Card payment	£3,377.44
24	23 February 2023	Card payment	£2,688.49
	10 March 2023	Credits In	£1,022.96

Mr L saw an advertisement on social media offering a cryptocurrency investment opportunity. He registered his interest and was contacted by someone who claimed to be an accounts manager. After some discussion Mr L decided to invest and begun making payments to a cryptocurrency platform and then on to the scammer.

Mr L was asked to pay additional fees and tax before he could withdraw his funds. He became suspicious after he paid the fees and the scammer demanded further payments. Mr L raised the matter with Revolut but it did not refund the money he lost and it did not uphold his subsequent complaint.

Our investigator thought the complaint should be upheld. He thought Revolut should have intervened when Mr L attempted to make the fourth payment. And had it done so, it could have prevented the loss. However our investigator did not think Mr L acted reasonably and thought he should bear equal responsibility for the loss incurred from payment 21 onwards.

Mr L accepted our investigators opinion but Revolut does not agree. It says the payments were not out of character or unexpected compared to the typical way electronic money institution accounts are used. It says the loss did not originate from Mr L's Revolut account, and it thinks it is relevant to consider possible other bank intervention.

As an agreement could not be reached, the complaint 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.

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 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. 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 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.

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

Revolut has also not shown that it intervened in any of the payments Mr L made towards the scam. However I think it ought to have intervened before processing the payment of £9,930.67 Mr L made on 9 May 2022. By the time the payments were being made, banks and other payment service providers would have been aware of an increase in cryptocurrency related scams. Many high street banks had already begun to place restrictions on cryptocurrency related transactions and I think Revolut ought reasonably to have been alert to this.

Regardless, this was the fourth payment to the cryptocurrency exchange, Mr L had not made payments to this company prior to February 2022. Payment 4 was more than double the value of the previous payments and significantly larger than any payments Mr L made from his account since its opening in 2020. Prior to the scam, the largest payment out of Mr L's account was approximately £1,000. Mr L received large deposits into his account which he quickly debited leaving a minimal balance in his account, which is indicative of a scam. Considering this, I think Revolut ought to have been concerned that Mr L might be at an increased risk of financial harm from fraud and enquired further about the circumstances surrounding the payment.

I think Revolut ought reasonably to have declined the fourth payment and directed Mr L to discuss it with a member of staff via its in-app chat.

If Revolut had provided a warning of the type described, would that have prevented the losses Mr L suffered from Payment 4 onwards?

Mr L transferred funds from a bank account he held elsewhere to his Revolut account. Mr L's other bank, confirmed it did not intervene in any of the payments he made in relation to the scam.

I can't see that Mr L was given a cover story to tell the bank in case he was questioned about any of the payments and I have not seen any evidence of significant coaching by the scammer. Therefore I think it's likely Mr L would have been honest about the purpose of the payment. Had Revolut questioned him appropriately, it's likely to have found out that Mr L learnt about the opportunity on social media, he had been asked to download remote access software and there was very little information available about the firm online. Mr L had taken out a loan to fund the investment and the returns he was promised were unrealistic. I find the scam Mr L fell victim to bore the hallmarks of a cryptocurrency investment scam. Had Revolut questioned Mr L, on balance, I think it is likely that it would have been able to uncover the scam and ultimately prevent Mr L's losses from Payment 4.

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

I have taken into account that Mr L remained in control of his money after making the payments from Revolut. It wasn't lost until he took further steps. But Revolut should still have recognised that Mr L was at risk of financial harm from fraud, made further enquiries about payment 4 and ultimately prevented Mr L's loss from that point. I think Revolut can fairly be held responsible for Mr L's loss in such circumstances.

I have considered all of the facts of the case, including the role of other financial institutions involved, Mr L has chosen not to complain about any other firm and I cannot compel him to do so. And I do not think it would be fair to reduce Mr L's compensation because he has only complained about one firm, as I consider that Revolut should have prevented the loss.

Should Mr L bear any responsibility for his losses?

When Mr L was first introduced to the investment opportunity there was limited information available about the firm online, other than a small number of positive reviews which I think would have encouraged him to invest. Mr L was given access to a platform on which he could see his deposits and supposed returns. He also received some alleged credits from the investment which is a well-known tactic scammers use to build trust within their victims. As such I cannot fairly say Mr L acted unreasonably.

However, the scam evolved and the circumstances changed. I accept that initially the scam would have appeared genuine to Mr L, but there were several concerning factors I think ought to have raised suspicions and caused him to stop making payments.

From his conversation with the scammer, it's apparent Mr L was under the impression he had suffered a significant, if not a total, loss from the investment by mid December 2022. He is then sent an email offering an insurance policy and the promise of recovering his losses through this policy. I think this ought to have concerned Mr L and made him stop, as it is unlikely that an insurance policy could be obtained after the event and that it would also cover losses already incurred.

Mr L was asked to pay additional interest and fees which he questioned with the scammer. He recognised that the interest calculations were incorrect, he also recognised that the information he was provided was inconsistent. He questioned the scammer, and despite not getting any clear answers, he continued to make the payments.

By December 2022 Mr L had borrowed a significant sum of money and he thought he had lost the funds he had already invested, so I think he ought to have been more cautious. Considering this, I think Mr L ought reasonably to have taken heed of the warning signs and carried out more in-depth research before proceeding to make payments. By this time, there were now several reviews indicating the investment firm was fraudulent. Therefore, had Mr L looked into things further as I think he ought to have done, I think it is likely he would have realised sooner that it had been a scam.

I understand that Mr L fell victim to a sophisticated scam, and while I sympathise with him and the situation he finds himself in, I don't think he acted reasonably for the reasons I've given. As such, I find Mr L should bear equal responsibility for the loss he incurred from Payment 21 onwards.

Putting things right

As set out above, I think that Revolut should have prevented Mr L's loss from Payment 4 onwards. In calculating fair redress I've taken into account that Mr L has received some

reimbursement.

Mr L received money back that he understood to have been 'profit/return' from his investment. Given Mr L was falling victim to a scam and his 'investment' wasn't genuine, I don't think this money should be attributed to any specific payment. Instead, I think this money should be deducted from the amount lost by apportioning it proportionately across all of the payments Mr L made to the scam. This ensures that these credits are fairly distributed.

Here the returns amount to 2.65% of the total paid to the scam. It follows that the outstanding loss from each payment after and including Payment 4 should be reduced by the same percentage. That means Revolut should refund what remains after deducting 2.65% from each payment from payment 4 onwards.

Please note that, for ease of reading, I've rounded the relevant percentages down to two decimal places, but Revolut should perform the calculation I've set out above to arrive at a more precise figure, as I have done to arrive at the figure below.

I also think that the amount reimbursed should be reduced by 50% from payment 21 onwards to reflect Mr L's contributory negligence.

I therefore calculate the overall reimbursement due to Mr L to be £52,813.74. It should also pay 8% simple interest to recognise Mr L's loss of use of the money.

My final decision

For the reasons set out above, I uphold this complaint and require Revolut Ltd to:

- refund £52,813.74.
- Pay 8% simple interest per year from the date of each payment to the date of settlement.

If Revolut Ltd considers that it's required by HM Revenue & Customs to deduct income tax from that interest, it should tell Mr L how much it's taken off. It should also give Mr L a tax deduction certificate if they ask for one, so they can reclaim the tax from HM Revenue & Customs if appropriate. is paid for the loss of use of this money.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 28 October 2025.

Oluwatobi Balogun
Ombudsman