

The complaint

Mr M complains that Revolut Ltd won't refund money he lost when he was the victim of an investment scam.

Mr M is represented by a firm that I'll refer to as 'R'.

What happened

The background to this complaint is well known to both parties and so I'll only refer to some key events here. I issued my provisional decision on this complaint on 2 July 2025. I said:

"...In 2023 Mr M fell victim to a crypto investment scam. He's explained that he saw an article about an opportunity to invest in crypto, that was endorsed by a well-known public figure, with a firm I'll refer to as 'W' - which we now know to be a scam firm. Interested by this, Mr M completed a form providing his contact details. He was then contacted by W and, after speaking with them, he decided to invest.

To do this, Mr M set up a trading account with W. And he funded it by transferring crypto that he purchased from legitimate crypto providers. Mr M has explained that he was guided through this process by use of remote access software. Mr M went on to make the following payments to the scam via the legitimate crypto providers:

Transaction date	Payee	Type of transaction	Amount
23 January 2023	'B'	Debit card	£1,524
23 January 2023	'B'	Debit card	£9,000
27 January 2023	'B'	Debit card	£9,000
29 January 2023	'B'	Debit card	£25,000
20 February 2023	'B'	Debit card	£1,509
20 February 2023	'B'	Debit card	£1,942
1 March 2023	'B' (via payment processor)	Fund transfer	£5
1 March 2023	'B'	Debit card	£10,000
1 March 2023	'B'	Debit card	£10,000
1 March 2023	'B'	Debit card	£4,000
3 March 2023	'B'	Debit card	£5,000
3 March 2023	'B'	Debit card	£5,000
3 March 2023	'B'	Debit card	£5,000
3 March 2023	'B'	Debit card	£5,000
6 March 2023	'B'	Debit card	£5,995
23 March 2023	'B'	Debit card	£5,000
23 March 2023	'B'	Debit card	£5,000
23 March 2023	'B'	Debit card	£5,000
23 March 2023	'B'	Debit card	£5,000

23 March 2023	'B'	Debit card	£4,000
24 March 2023	'B'	Debit card	£500
25 March 2023	'B'	Debit card	£500
25 March 2023	'B'	Debit card	£10,000
25 March 2023	'B'	Debit card	£10,000
25 March 2023	'B'	Debit card	£3,500
27 April 2023	'B'	Debit card	£100
27 April 2023	'B'	Debit card	£5,000
27 April 2023	'B'	Debit card	£5,000
27 April 2023	'B'	Debit card	£5,000
27 April 2023	'B'	Debit card	£5,000
27 April 2023	'S'	Debit card	£1,000
27 April 2023	'S'	Debit card	£400
27 April 2023	'S'	Debit card	£4,000
29 April 2023	'U'	Fund transfer	£5,000
29 April 2023	'U'	Fund transfer	£5,000
29 April 2023	'U'	Fund transfer	£5,000
30 April 2023	'U'	Fund transfer	£10,000
30 April 2023	'U'	Fund transfer	£10,000
30 April 2023	'U'	Fund transfer	£5,000
30 April 2023	'S'	Debit card	£500
30 April 2023	'S'	Debit card	£8,000
1 May 2023	'S'	Debit card	£15,750
1 May 2023	'U'	Fund transfer	£700
2 May 2023	'U'	Fund transfer	£25,000
2 May 2023	'U'	Fund transfer	£25,000
2 May 2023	'U'	Fund transfer	£25,000
2 May 2023	'U'	Fund transfer	£25,000
2 May 2023	'U'	Fund transfer	£10,000
2 May 2023	'U'	Fund transfer	£25,000
2 May 2023	'U'	Fund transfer	£10,000
2 May 2023	'U'	Fund transfer	£5,000
12 May 2023	'U'	Fund transfer	£25,000
12 May 2023	'U'	Fund transfer	£25,000
12 May 2023	'U'	Fund transfer	£25,000
15 May 2023	'U'	Fund transfer	£25,000
15 May 2023	'U'	Fund transfer	£25,000
15 May 2023	'U'	Fund transfer	£25,000
		Total:	£536,925

Mr M received the following credits from the crypto providers:

Transaction date	Amount
23 January 2023	£9.82

9 February 2023	£846.01
30 April 2023	£999
30 April 2023	£23,995
1 May 2023	£14,997
Total:	£40,846.83

This puts Mr M's loss at £496,078.17.

Mr M has explained that he initially invested a small sum before being encouraged to invest more – as this would provide greater returns, which sounded plausible to him. And that W said they would invest in other markets, not just crypto that would provide 'steady returns' that were recommended by credible sources as "ones to watch". Mr M said he found W to be helpful and professional, and he felt comfortable investing as what he was told about the investment markets matched his research. But he realised he'd been scammed when he was contacted by a crypto wallet provider – that was also involved as part of the scam – notifying him he had to send money to confirm his identity. Upon receiving this, he contacted the crypto wallet provider directly who confirmed it was a scam.

Mr M notified Revolut that he'd been scammed on 20 May 2023. And later that month, R complained on Mr M's behalf to Revolut saying the payments were made as part of a scam. In short, they said:

- Revolut failed to identify out of character payments that were indicative of fraud. And had Revolut intervened appropriately, the fraud would've been prevented. As such, Mr M suffered a preventable financial loss which should be reimbursed.*
- Mr M wasn't actively looking to invest, but he was curious when he saw the advert. W told him he could expect monthly returns of 10-20% - which they explained were very achievable returns for crypto. He had two account managers during the scam, which involved weekly calls and being kept in touch via an instant messaging app.*
- The company, W, changed names during the scam.*
- Mr M was asked for additional funds at various stages, which was needed to 'blend' the profits with money from his own bank account – to ensure the funds weren't frozen due to suspicious activity.*
- The Financial Conduct Authority (FCA) published a warning on 9 February 2023 about W – which was after he began investing. Revolut should've performed multiple interventions and, if they had, they would've known to check the warnings list. In turn, they would've seen W listed as a scam company and been able to take steps to protect Mr M.*
- Mr M's account was very rarely used before the scam. And so, Revolut should've intervened early on in the process.*
- Revolut did contact Mr M on one or two occasions to verify what the transactions were for – which he confirmed was for crypto investment purposes. But they believe Revolut predominately asked questions about the source of the funds, rather than the destination of the payments. This was clearly insufficient. And had Revolut performed an appropriate intervention, they would've easily unearthed the scam – as there were numerous red flags.*
- To settle this complaint, Revolut should refund Mr M and pay 8% simple interest.*

Revolut didn't uphold the complaint. In short, they said:

- They launched a request to freeze and retrieve the funds from the fraudulent beneficiary's account. This process is bound by the cooperation from the beneficiary bank and the recovery of funds isn't guaranteed. Regrettably, they received confirmation on 10 June 2023 that no funds remained.
- They detected a payment(s) was being made to a new beneficiary and displayed the following message:

"Do you know and trust this payee? If you're unsure, don't pay them, as we may not be able to help you get your money back."

As Mr M acknowledged this warning, he was free to continue with the transfer.

- They also showed a message about the purpose of the payment, followed by educational screens regarding the type of potential scam. After these warnings, Mr M was free to continue with his transaction.
- In addition to system-based fraud protection, they also inform customers about scams and prevention tips through email and blogs.
- They weren't at fault for processing the transfers that Mr M authorised. And they've treated Mr M fairly.
- They did everything they could to recover Mr M's funds. And they explained that, as the debit card transactions were authorised via 3DS, there wasn't a right for a chargeback to be raised under the card scheme rules.

The complaint was referred to the Financial Ombudsman. Our Investigator initially didn't uphold it but later changed her view. She thought Revolut should've contacted Mr M before processing the £9,000 transaction on 23 January 2023 via their in-app chat function. If they had, she considered Revolut – through appropriate questioning – would've identified red flags associated with investment scams and provided a scam warning. In turn, this would've prevented Mr M suffering his loss. And, as she didn't think the award should be reduced for contributory negligence on Mr M's part, she recommended Revolut refund Mr M – in full – from the second payment onwards (less any funds recovered/refunded) and 8% simple interest.

R confirmed Mr M's acceptance.

Revolut didn't agree with our Investigator and asked for the matter to be referred to an Ombudsman. In short, Revolut has added:

- This was a 'self-to-self' scenario in which Mr M owned and controlled the beneficiary account to which the payments were sent. Hence, the fraudulent activity didn't occur on Mr M's Revolut account – as the payments were made to a legitimate crypto provider before being sent to the scam platform.
- Payments to a customer's own account don't meet the definition of an Authorised Push Payment (APP) scam. They shouldn't be responsible for their customer's loss where they're only an intermediate link in a chain of transactions
- The role of other financial businesses (including any interventions or warnings they might have provided) needs to be considered.
- It might be appropriate for the Financial Ombudsman to exercise its powers under DISP to inform Mr M that it could be appropriate to make a complaint against another firm if necessary.

- *Mr M was investing in crypto which is an extremely volatile investment that cannot be taken as a 'guaranteed profit'. Such highly speculative and highly volatile investments carry with them a greater responsibility of research before investing. The absence of such actions suggests a disregard for prudent financial decision-making.*
- *The scam took place over a long period of time (112 days). Mr M had ample time to carry further research into the investment platform he'd found, particularly given the value of the investments. It is not comprehensible how Mr M missed the FCA's warning published on 9 February 2023 given he's said he was consistently doing research.*
- *It is evident that Mr M ignored their warnings where they alerted him to check reviews and undertake research about the investment. If research had been done at this time, or any point after 9 February 2023 when the FCA's warning was available, it leads them to believe Mr M was grossly negligent. This implies a significant willingness to deceive and goes beyond negligence into recklessness.*
- *Mr M invested about a half a million pounds. So, he should've made multiple checks about W at the beginning but also during the whole time he was investing through them.*
- *W changed name and their website's URL. This behaviour is suspicious as a legitimate company wouldn't proceed like that. Since Mr M was investing a lot of money, he should've checked online why this change had occurred.*

The matter has been passed to me to decide.

What I've provisionally 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 them 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 their 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 M was at risk of financial harm from fraud?

It isn't in dispute that Mr M authorised the payments he made to the crypto providers (from where that crypto was subsequently transferred to the scammer). But whilst I have set out the circumstances which led Mr M to make the payments using his Revolut account and the process by which that money ultimately fell into the hands of the fraudster, I am mindful that, at that time, Revolut had much less information available to them upon which to discern whether any of the payments presented an increased risk that Mr M might be the victim of a scam.

By January 2023, when these transactions took place, firms like Revolut had been aware of the risk of multi-stage scams involving crypto for some time. Scams involving crypto have increased over time. The FCA and Action Fraud published warnings about crypto scams in mid-2018 and figures published by the latter show that losses suffered to crypto scams have continued to increase since. They reached record levels in 2022. During that time, crypto was typically allowed to be purchased through many high street banks with few restrictions.

By the end of 2022, however, many of the high street banks had taken steps to either limit their customers' ability to purchase crypto using their bank accounts or increase friction in relation to crypto related payments, owing to the elevated risk associated with such transactions. And by January 2023, when these payments took place, further restrictions were in place. This left a smaller number of payment service providers, including Revolut, that allowed customers to use their accounts to purchase crypto with few restrictions. These restrictions – and the reasons for them – would have been well known across the industry.

I recognise that, as a result of the actions of other Payment Service Providers (PSPs), many customers who wish to purchase crypto for legitimate purposes will be more likely to use the services of an EMI, such as Revolut. And I'm also mindful that a significant majority of crypto purchases made using a Revolut account will be legitimate and not related to any kind of fraud (as Revolut has told our service). However, our service has also seen numerous examples of consumers being directed by fraudsters to use Revolut accounts in order to facilitate the movement of the victim's money from their high street bank account to a crypto provider, a fact that Revolut is aware of.

So, taking into account all of the above I am satisfied that by the end of 2022, prior to the payments Mr M made in 2023, Revolut ought fairly and reasonably to have recognised that their customers could be at an increased risk of fraud when using their services to purchase crypto, notwithstanding that the payment would often be made to a crypto wallet in the consumer's own name.

To be clear, I'm not suggesting that, as a general principle, Revolut should have more concern about payments being made to a customer's own account than those which are being made to third party payees. As I've set out in some detail above, it is the specific risk associated with crypto in January 2023 that, in some circumstances, should have caused Revolut to consider transactions to crypto providers as carrying an increased risk of fraud and the associated harm.

In those circumstances, as a matter of what I consider to have been fair and reasonable, good practice and to comply with regulatory requirements, Revolut

should have had appropriate systems for making checks and delivering warnings before they processed such payments. And Revolut was also required by the terms of their contract to refuse or delay payments where regulatory requirements meant they needed to carry out further checks.

Taking all of the above into account, and in light of the increase in multi-stage fraud, particularly involving crypto, I don't think the fact payments in this case were going to an account held in Mr M's own name should have led Revolut to believe there wasn't a risk of fraud. So, I've gone on to consider, taking into account what Revolut knew about the payments, at what point, if any, they ought to have identified that Mr M might be at a heightened risk of fraud that merited their intervention.

Mr M opened his Revolut account in January 2022, a year before the disputed payments started. During this time, there was little account activity – with the few outgoing transactions only several hundred pounds in value. And when Mr M opened the account, one of purposes he selected for doing so was 'crypto'. Because of this, while Revolut should've identified the payments were going to a crypto provider, I don't think they would've had enough reason to suspect the first payment – of £1,524 – might have been made in relation to a scam due to its low value. But I think the risk of financial harm to Mr M increased when he made the £9,000 payment on 23 January 2023. This is because it was the second payment to the crypto provider in the space of about 30 minutes, and it brought his total crypto activity to over £10,000. Given the prior limited low value activity on Mr M's account, I think this change of account usage was unusual and suspicious – particularly given the crypto risk and there being two payments of a high combined value being made in a short period of time (with payments made in quick succession being a potential indicator of fraud or a scam).

I understand Revolut needs to take an appropriate line between protecting against fraud and not unduly hindering legitimate transactions. But given what Revolut knew about the destination of the payments, I think the circumstances should have led Revolut to consider that Mr M was at a heightened risk of financial harm from fraud. In line with good industry practice and regulatory requirements, I am satisfied that it is fair and reasonable to conclude that Revolut should have warned Mr M before processing the £9,000 payment on 23 January 2023.

To be clear, I do not suggest that Revolut should provide a warning for every payment made to crypto. Instead, as I've explained, I think it was the combination of the value of the payments and the speed at which they were made on what was a relatively inactive account, and that the fact it went to a crypto provider which ought to have prompted a warning.

What did Revolut do to warn Mr M?

Before processing the fund transfers to the new beneficiaries, Mr M received the new payee warning (as per above). Revolut also asked Mr M for the payment purpose of two transactions – one on 2 March 2023 (which was returned) and the first £5,000 transaction to U on 29 April 2023 – to which he selected 'Crypto Currency'. And this prompted the following warnings:

- **“BE WARY OF CRYPTO INVESTMENT SCAMS**
Innocent people lost £X to crypto investments last year. Fraudsters will try to trick you with legitimate seeming websites, but will not let you withdraw your funds
- **SCAMMERS ARE PROFESSIONALS**

We recommend checking reviews of the crypto investment company to look out for stories of scams. And if you're unsure – better to play it safe and go with a legitimate company”

Revolut also contacted Mr M via their in-app chat on 27 January, 23 March and 11 May 2023 to carry out some additional checks. These checks involved Mr M providing a selfie for verification purposes and answering some security questions. These questions were however predominately focussed on account security and source of funds verification – and not scam prevention.

I'm not persuaded the steps Revolut took were sufficient. Firstly, this happened after the £9,000 payment in question. And while Mr M did later receive some warnings associated with the risk of crypto investment scams, I'm not persuaded that it was enough to put him on notice that he was likely falling victim to one (which I'll explain further below). I think Revolut needed to do more.

What kind of warning should Revolut have provided?

I've thought carefully about what a proportionate warning in light of the risk presented would be in these circumstances. In doing so, I've taken into account that many payments that look very similar to these will be entirely genuine. I've given due consideration to Revolut's duty to make payments promptly, as well as what I consider to have been good industry practice at the time this payment was made.

Taking that into account, prior to the £9,000 payment on 23 January 2023 being processed, I think a proportionate response to that risk would've been for Revolut to have attempted to establish the circumstances surrounding the payment before allowing it to debit Mr M's account. I think they should have done this by, for example, directing Mr M to their in-app chat to discuss the payment further.

If Revolut had attempted to establish the circumstances surrounding the £9,000 payment, would that have prevented the losses Mr M suffered?

Having carefully thought about this, I think it would. I'll explain why.

From the available scam chat, I haven't seen anything to show Mr M was being told (or that he agreed) to mislead Revolut about the payments if questioned. Nor has Revolut provided anything to evidence Mr M would've misled them about the purpose of the payment either. The available evidence also shows that Mr M was open and honest about the purpose of the payments he was making with Revolut – demonstrated by selecting 'Crypto Currency' from a list of potential payment purposes and also, when questioned in Revolut's in-app chat, he openly stated.

- “I have recently invested in bitcoin so I have made some transfer to a crypto app called B”*
- “yes I use B to trade on the stock market. S is an intermediary to transfer the funds”*
- “The payments to U are the onboarding company for K [a crypto provider]. We are both actively investing in crypto and bitcoin as a store of value against traditional banks. I used to use B but they are no longer supported in the UK”*

I've considered that, while Mr M was open about making the payment for crypto purposes, he didn't specifically refer to W in his response to Revolut. However, I don't believe this was because Mr M was purposely failing to disclose this information

to Revolut but rather, I don't think he was asked the right questions for him to know it was relevant information for him to share.

Mr M's banking provider, in which the funds predominantly originated from, has also confirmed that they didn't interact with him before processing the payments Mr M made to his Revolut account.

Considering all of this, had Revolut asked Mr M about the purpose of the £9,000 payment and the surrounding circumstances of it, I think it's most likely that he would've explained he was making it to invest in crypto with W. And appropriate further questioning would've likely uncovered that Mr M had come across the opportunity via an advert that was endorsed by a well-known public figure, that he had an account manager(s) at W managing his investments on his behalf on their own platform, and he'd been guided through the process by use of remote-desktop software (which involved funding his trading account by purchasing crypto from a legitimate crypto provider).

Mr M might have explained that he'd carried out some checks on W before deciding to invest – including reviewing W's website (which appeared professional), finding positive reviews online and checking the FCA website. But while the FCA hadn't yet published their warning about W when the £9,000 was made, I think Revolut ought to have identified several common hallmark features of crypto investment scams in Mr M's situation. And so, Revolut should've recognised that Mr M was likely falling victim to a scam and given him a very clear scam warning – advising him against making any further payments.

At which point, I've considered that later in the scam journey Revolut did provide Mr M some crypto investment scam warnings. And that these didn't deter him from making the payments at that time. However, I think these warnings were quite generic and didn't bring to life the risks specific to Mr M's situation – as, for example, they referred to fraudsters using websites that appear legitimate, the prevention of being able to withdraw funds and recommending going with a legitimate company if any doubt. In Mr M's case though, it would've been difficult for him to ascertain W was a scam firm simply because it had a website that appeared professional, and he had been able to successfully withdraw funds by that point (albeit a small amount). So, given he was continuing to invest with W, he was clearly of the belief he was dealing with a legitimate firm. I therefore don't think this shows Mr M ignored scam warnings relevant to his situation.

So, on balance, I think if Revolut had provided Mr M with a proportionate warning about the £9,000 payment, he wouldn't have gone ahead with that payment, therefore preventing his loss from that point.

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

I have taken into account that Mr M 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 M was at risk of financial harm from fraud, made further enquiries about the £9,000 payment and ultimately prevented Mr M's loss from that point. I think Revolut can fairly be held responsible for Mr M's loss in such circumstances.

While I have considered all of the facts of the case, including the role of other financial institutions involved, Mr M 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 M's compensation because he's only complained about one firm, as I consider that Revolut should have prevented the loss.

Should Mr M bear any responsibility for his loss?

I've thought about whether Mr M 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 the circumstances of this complaint including taking into account Mr M's own actions and responsibility for the loss he has suffered.

When considering whether a consumer has contributed to their own loss, I must consider whether the consumer's actions showed a lack of care that goes beyond what we would expect from a reasonable person. I must also be satisfied that the lack of care directly contributed to the individual's loss.

Here, I consider that there were sophisticated aspects to this scam – including, for example, W's trading platform showing Mr M's funds being invested, the apparent endorsement from the well-known public figure and his interaction with W (which included regular conversations). And given Mr M couldn't find anything of concern about W as part of his online checks, I don't think it was unreasonable for Mr M to believe W was a legitimate firm when he decided to invest.

I've also thought about the returns W told Mr M he could expect to receive – that being, 10-20% per month. This is undoubtedly a high return, especially when compared to more conventional investment options. However, the volatile nature of crypto, that involves significant risk, also presents an opportunity for high rewards. And so, I don't think the possibility of receiving 10% per month was so unrealistic whereby I would've expected Mr M to have known it was too good to be true (although it was another potential indicator of fraud that Revolut, as the financial expert, should've considered).

I therefore don't think Mr M acted unreasonably when deciding to invest with W. But I've thought about whether Mr M should've done more to protect himself during the scam. And I'm aware that the FCA published their warning on 9 February 2023 about W in which they explained the firm may be providing financial services or products in the UK without their authorisation. I wouldn't, however, reasonably expect a consumer to periodically check the FCA's website unless there was a reason to do so. Here, Mr M was investing significant sums of money. But given the professional nature of W and the absence of any information online indicating they were a scam (or potentially not legitimate) prior to Mr M's initial investment, I think it's understandable why he might not have considered it necessary to carry out further checks on W as to whether they were a genuine firm – and, specifically, the FCA's website.

I have however considered whether there were any points during the scam in which Mr M might have reason to question W's legitimacy. In this case, I understand that Revolut has referred to W changing their name and website's URL – which they consider suspicious. While I've considered Revolut's points on this, I don't agree that a legitimate company wouldn't do this – as firms do change their trading names and websites at times for various legitimate reasons (such as marketing purposes). And here, I think W provided a persuasive explanation to Mr M as they said:

“This change is being made due to necessary maintenance and upgrades required to improve our website’s functionality and user experience

We want to assure you that this change will not affect your account or login details. You can continue to use the same login details on the new website. The new website will be “Live” with in the next few hours. Until then [website] will be available for use in most countries.

We believe that this change will be beneficial for our clients, as the new domain is more secure, reliable, and easier to use. We have taken all necessary steps to ensure that the transition to the new domain is as smooth as possible, and we hope that you find the new website easy to navigate...”

I find this explanation from W to be professional in nature, and I don’t think it would’ve given Mr M enough reason to suspect that something illegitimate was occurring.

During the scam, Mr M has however explained that “...in order to get the money out I had to blend it with money from my own account and then take it all back together so my accounts wouldnt [sic] get frozen”. And that he recalls this being at the start of May 2023 – which is supported by the chat conversation with W as, on the morning of 1 May 2023, W said “You can only move the funds once the 175K from your side gets in + The full 400K GBP”. And Mr M later added “Once all the funds are in the [crypto provider] wallet I will let you know and you can confirm if it’s ok to withdraw some of the funds back at that point”.

I appreciate Mr M may not have had a significant amount of crypto investment experience. But I think the idea of having to ‘blend’ money together, and to the sum of 175k referred to in the chat conversation, to withdraw funds ought to have given Mr M reason to question what he was being told. I understand Mr M was being manipulated by the scammer, and that he was told these funds were required to follow certain procedures (such as paying withdrawal fees) to avoid his accounts being frozen or restricted. Nevertheless, the concept of having to pay such a high amount to withdraw his own funds should’ve raised suspicion – particularly given the threat of accounts being frozen or restricted when Mr M was otherwise under the belief he was investing legitimately. With this in mind, I think it would’ve been reasonable to have expected Mr M to have carried out some further checks in to the requirement of paying money to withdraw returns from a crypto investment.

If Mr M had done this, then I think it’s mostly likely he would’ve become aware that paying money to receive investment returns was a scam. At which point, a further check into W would’ve led him to discover the FCA’s warning – along with other sources online available at that point indicating them as a scam firm. Because of this, I think Mr M could’ve prevented his losses from this point.

I’ve therefore concluded, on balance, that it would be fair to reduce the amount Revolut pays Mr M, from 1 May 2023 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%.

Could Revolut have done anything to recover Mr M’s money?

The only option of recovery for the debit card payments was via chargeback. But given the payments were made to legitimate crypto providers, I don’t consider that a

chargeback would have had any prospect of success given there's no dispute the crypto providers provided crypto to Mr M. So, the service had been provided.

In respect of the money transferred to the crypto providers, there wouldn't have been any funds left to recover (as it had already been forwarded on as part of the scam). But even if there were funds remaining, Mr M would've had access to them and could've withdrawn them himself.

Putting things right

I think it is fair that Revolut refund Mr M from the £9,000 payment on 23 January 2023 onwards, less the credits he received (£535,401 - £40,846.83 = £494,554.17). They can then deduct 50%, for contributory negligence, of the payments made from 1 May 2023 onwards (£158,225.00). This equates to a total refund of £336,329.17.

Revolut should also pay 8% simple interest on the payments to compensate Mr M for his loss of the use of money that he might otherwise have used.

My provisional decision

My provisional decision is that I uphold this complaint in part. I intend to direct Revolut Ltd to pay Mr M:

- £336,329.17 – as per calculations above.*
- 8% simple interest, per year, from the date of each payment to the date of settlement less any tax lawfully deductible.”*

R confirmed Mr M's acceptance.

Revolut didn't agree. They believed a reduction in the amount refunded, due to contributory negligence on Mr M's part, should be applied from 2 March 2023 – and not 1 May 2023. They said, at this point, they intervened and provided Mr M with warnings tailored to crypto investment scams. In turn, Revolut considered this should've prompted Mr M to complete further research given the amount he was investing and, if he had, he would've seen the warning published by the FCA on 9 February 2023. This would've then prevented any further losses to the scam.

I responded to Revolut on 17 July 2025 and explained:

“I've considered your view that contributory negligence should be applied from 2 March 2023 – when Revolut did provide Mr M with the following warnings related to the risks associated with crypto investment scams:

- **“BE WARY OF CRYPTO INVESTMENT SCAMS***
Innocent people lost £X to crypto investments last year. Fraudsters will try to trick you with legitimate seeming websites, but will not let you withdraw your funds
- **SCAMMERS ARE PROFESSIONALS***
We recommend checking reviews of the crypto investment company to look out for stories of scams. And if you're unsure – better to play it safe and go with a legitimate company”

I did consider this as part of my provisional decision, as I explained:

At which point, I've considered that later in the scam journey Revolut did provide Mr M some crypto investment scam warnings. And that these didn't deter him

from making the payments at that time. However, I think these warnings were quite generic and didn't bring to life the risks specific to Mr M's situation – as, for example, they referred to fraudsters using websites that appear legitimate, the prevention of being able to withdraw funds and recommending going with a legitimate company if any doubt. In Mr M's case though, it would've been difficult for him to ascertain W was a scam firm simply because it had a website that appeared professional, and he had been able to successfully withdraw funds by that point (albeit a small amount). So, given he was continuing to invest with W, he was clearly of the belief he was dealing with a legitimate firm. I therefore don't think this shows Mr M ignored scam warnings relevant to his situation.

Having given what you've said further thought, my position remains unchanged. While I accept Revolut did provide warnings to Mr M that informed him of the potential risk of crypto investment scams, I don't think it gave him the sufficient knowledge – or reason to suspect – that he was dealing with a scam firm. Mr M had undertaken checks online and found nothing of concern before investing (which preceded the FCA warning). He'd also been able to successfully withdraw funds on two occasions before 2 March 2023 – and so, he would've been reassured by this fact too.

The latter warning does recommend 'checking reviews' to look for stories of scams, but it doesn't recommend checking the FCA's website. So, I don't think this alone would've given Mr M the awareness or need to do so – nor, from my own historical internet search, does it seem that such a warning would've been a prominent search result. Therefore, even if Mr M had carried out further checks online, I cannot reasonably conclude he would've come across the FCA warning.

Because of this, I don't think it would be fair or reasonable to apply contributory negligence at this point. It follows that I remain of the view that it would be fair to apply it from 1 May 2023 onwards – as per my provisional decision.”

I provided Revolut with a deadline of 30 July 2025, as per their request, but they did not respond.

Given Mr M's acceptance and that Revolut has had an opportunity to respond, I can proceed to make my final decision on this 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.

In the absence of any further points for my consideration, subsequent to my response of 17 July 2025, I see no reason to depart from the above.

I therefore remain of the view that Revolut is responsible for the loss Mr M suffered from the £9,000 payment on 23 January 2023 onwards, less the credits he received (£535,401 - £40,846.83 = £494,554.17). And that it would be fair and reasonable to reduce the award by 50%, for the payments made from 1 May 2023 onwards (£158,225.00) due to contributory negligence on Mr M's part. It follows that I think Revolut should refund £336,329.17 to Mr M and pay 8% simple interest to recognise the loss of use of money he suffered.

My final decision

My final decision is that I uphold this complaint in part. I direct Revolut Ltd to pay Mr M:

- £336,329.17 – as per calculations above.
- 8% simple interest, per year, from the date of each payment to the date of settlement less any tax lawfully deductible.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 5 September 2025.

Daniel O'Dell
Ombudsman