

The complaint

Mr D complains that Revolut Ltd won't refund money he lost when he fell victim to a cryptocurrency investment scam.

Mr D is being represented by solicitors in this complaint.

What happened

Mr D was looking to invest money he had received following a property sale. In March-April 2022, he came across an advertisement for a trading company, "C", on an online search engine. Mr D says C appeared to be endorsed by well-known celebrities in the advertisement. He left his contact details on a webform and subsequently received an email with a link to register and create an account with C. Mr D says that before deciding to register, he looked it up online (including checking its website) and it appeared to be a legitimate company.

Mr D was contacted by an individual who claimed to be a representative of C. They said they were his account manager and talked him through the trading and withdrawal processes. The use of remote access software was also involved. Mr D says his account manager told him they'd been investing for over ten years and reassured him that he would never lose money and that he could withdraw his funds at any time.

Under the account manager's instructions, Mr D opened an account with a cryptocurrency exchange "B" as well as an e-money account with Revolut. He moved funds from his account with a high street bank into his Revolut account, before sending it to B – either directly using his card or via electronic transfer to a digital wallet provider "S" – to convert them into cryptocurrency. This was then sent to cryptocurrency wallets as instructed by Mr D's account manager. At the time, Mr D thought the cryptocurrency was being deposited into his trading account with C.

The following transactions were made from Mr D's Revolut account in April 2022:

	Date	Type	Merchant/Payee	Amount
Payment 1	4 April	Debit card	B	£1,000
Payment 2	14 April	Debit card	B	£2,999
Payment 3	14 April	Transfer	S	£2,000
Payment 4	26 April	Debit card	B	£3,000
Payment 5	26 April	Transfer	S	£9,990
Payment 6	26 April	Transfer	S	£2,740
Payment 7	26 April	Transfer	S	£9,000
Payment 8	26 April	Transfer	S	£6,000
Payment 9	26 April	Transfer	S	£9,200
Payment 10	26 April	Transfer	S	£5,800
			Total payments	£51,729

When he tried to withdraw his profits, Mr D was informed he needed to pay more money to make the withdrawals. He realised he had been scammed when he was unable to withdraw any funds from his trading account despite paying withdrawal fees multiple times. He reported the matter to Action Fraud. Mr D also contacted Revolut, but it declined to refund any of the disputed payments and said he had authorised them. Revolut said it intercepted one of the payments and asked Mr D to select the purpose of the payment, and that he misled it by selecting 'safe account' instead of 'investment'.

Unhappy with this, Mr D referred his complaint to our service. Our investigator thought the first two transactions weren't unusual, but Revolut ought to have probed further when it intervened on the third transaction, especially given that Mr D had indicated he was moving funds to a safe account. Had it done so, the investigator was persuaded that the scam would have unravelled as Mr D's responses would have highlighted typical features of an investment scam. They concluded that Revolut should refund the money Mr D lost from that point onwards, along with interest at the rate he was getting on his savings account from where the funds originated. The investigator didn't recommend a deduction for contributory negligence as they weren't persuaded Mr D should share the blame for what happened.

Mr D accepted the investigator's outcome, but Revolut didn't agree with the proposed recommendation and said that Mr D should share some liability for his losses. In summary, it says:

- Mr D acted negligently by not conducting a proper investment research before investing. It doesn't agree that checking a company's website and online reviews is sufficient research. Revolut says there was already a warning on the website of the Financial Conduct Authority ("FCA") prior to the first disputed payment.
- It wants to know why the standards of an Authorised Push Payment (APP) fraud are being applied to this case, seeing as Mr D sent money from his Revolut account to another account he had control over. It argues the loss occurred when the funds were moved from that account to the scammer's account.
- The account with Revolut was newly created and so there was no historical transaction behaviour that it could have considered to determine normal activity. Mr D wasn't rushed or coerced into making the payments and the transactions were not out of character when considering the pattern of payments to cryptocurrency platforms.

I issued my provisional decision on this complaint on 15 August 2024 and explained why I intended upholding it. I said:

"In deciding what's fair and reasonable, I'm 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 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.

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 D 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 D 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'm 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 April 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'm mindful that in practice all banks and EMI's like Revolut do in fact seek to take those steps, often by:

- *using algorithms to identify transactions presenting an increased risk of fraud;²*

¹ The Payment Services Regulation 2017 Reg. 86 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).

- *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.*

In reaching my conclusions about what Revolut ought fairly and reasonably to have done, I'm 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*

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/>

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”

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.

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 April 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.*

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

It isn't in dispute that Mr D fell victim to a cruel scam. Nor is it disputed that he authorised the payments which he now seeks reimbursement for.

I don't think there was anything particularly unusual about the first two transactions such that I think they ought to have flagged as suspicious on Revolut's systems. But the third transaction, also on the same day as the second transaction, flagged as unusual on Revolut's fraud detection systems. As Revolut recognised the transactions as possibly scam related, I've considered whether it intervened appropriately when it held the transaction and made further enquiries.

What did Revolut do to warn Mr D?

After notifying Mr D that the transaction could be a scam, Revolut asked him to select the payment purpose from a list of options. It then displayed a warning relevant to the option chosen. Mr D selected 'safe account' and Revolut provided a written warning covering the most common features of safe account scams.

Revolut states it was misled by Mr D as he was in fact investing funds and had the opportunity to select 'investment' when prompted for a payment purpose. It says it would have provided a warning about investment scams had Mr D selected the true purpose, and in doing so he has acted negligently.

What kind of warning should Revolut have provided?

The investigator asked Mr D why he had selected the option that he did, but he couldn't recall. I can't say for certain, but Mr D's response suggests that he might not have reviewed the list of options he was presented with and possibly went with the first one off the list.

Regardless, Revolut ought to have been concerned when 'safe account' was selected, given safe account scams are very common and it's rarely a legitimate reason for sending money to another account. In the circumstances, I don't consider displaying a scam warning on the screen and giving Mr D the option to cancel the payment or go ahead with it was a proportionate response to the risk identified.

Having thought carefully about the risk the transaction presented based on Mr D's response, I think a proportionate response to that risk would be for Revolut to have attempted to establish the circumstances surrounding the transaction before allowing it to debit Mr D's account. I think it should have done this by, for example, directing Mr D to its in-app chat to discuss the payment further.

If Revolut had attempted to establish the circumstances surrounding payment three, would the scam have come to light and Mr D's loss prevented?

Had there been a direct intervention and questions asked about the payment purpose selected, it's more likely than not that Mr D would have explained he had made a mistake and selected the safe account option in error. Given that the payment had triggered on Revolut's systems prior to it knowing the payment purpose, I would have expected it to continue with its enquiries once Mr D would likely have confirmed that he was purchasing cryptocurrency for investment purposes.

Even if he had been sending money to a legitimate cryptocurrency platform, it didn't follow that Mr D's money was safe, or that he wasn't at risk of financial harm due to fraud or a scam. By the time Mr D made the payments, I think Revolut had or ought to have had a good enough understanding of how these scams worked to have been able to identify the risk of harm from fraud. Including, that the customer often first purchases cryptocurrency and moves it on to the fraudster under the assumption that they're moving it into their own wallet or account.

If Revolut had asked him about the investment opportunity, I think it's likely Mr D would have explained what he was doing and how he came to know of C – I can't see that he had been given a reason to think he had to hide this information from Revolut. Had Revolut provided a scam warning covering the typical features of investment scams involving cryptocurrency – being asked to install software, promise of high profits in a short period of time with minimal or no risk, social media promotion involving celebrity endorsement, etc. – on balance, I'm satisfied that it would have resonated with Mr D given it the features aligned with his circumstances. I'm persuaded that he would have looked further into C and the investment opportunity in general following Revolut's intervention. Indeed, it's likely that he would have come across the various regulator warnings about cryptocurrency scams that had been published by then.

I'm persuaded that a meaningful intervention from Revolut at that time would likely have exposed the scam. And I think it's more likely than not that an intervention would have caused Mr D to stop from going ahead with the third payment – and subsequent payments – thereby preventing further loss.

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

Revolut submits that it wasn't the point of loss given Mr D sent the money on to a cryptocurrency wallet which he had control over. It has questioned why this service has applied the standards of APP fraud to this case given Mr D sent payments an account he had access to and from where the funds were ultimately lost to fraudsters.

The investigator didn't make any reference to APP fraud, and neither have I in my findings. What happened in this case bears similarities with typical features of APP fraud. That's not surprising as in most scam cases consumers are tricked into parting with their money. This also means that some of my considerations in this case may appear similar to how I would consider a scam case involving APP fraud. But that is not to say that I've applied standards of APP fraud when looking at this case.

Also, I consider that it isn't relevant that the circumstances here do not fall under the specific definition of an APP scam as set out in the CRM Code and DISP rules. Those definitions define the scope of the CRM Code and eligibility of payers to complain about a payee's payment service provider respectively. They do not preclude me from considering whether Revolut failed to act fairly and reasonably when it made the third payment without providing an adequate warning to Mr D. Revolut hasn't suggested that I don't have jurisdiction to consider the complaint at all, and in doing so I'm required by Parliament and the DISP rules to consider 'all the circumstances of the case'. I'm satisfied that if I took the more limited approach Revolut that suggests, then I wouldn't be discharging that duty.

I've carefully considered Revolut's view that it shouldn't be held responsible for losses that occurred on a third-party site. In reaching my decision about what is fair and reasonable, I've taken into account that Mr D purchased cryptocurrency which credited an e-wallet held in his own name, rather than making a payment directly to the fraudsters. So, he remained in control of his money after he made the payments from his Revolut account and took further steps before the money was lost to the fraudsters.

But as I've set out above, I think that Revolut still should have recognised that Mr D might have been at risk of financial harm from fraud when he made the third transaction in dispute. And in those circumstances, Revolut should have made further enquiries about the payment before processing it. If it had done that, I'm satisfied it would have prevented the losses Mr D suffered. The fact that the money wasn't lost at the point it was transferred to Mr D's own account doesn't alter that fact and I think Revolut can fairly be held responsible for Mr D's 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 the firm that is the point of loss.

I've also considered that Mr D 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 D could instead, or in addition, have sought to complain against those firms. But Mr D has not chosen to do that and ultimately, I can't 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 D's compensation in circumstances where: the consumer has only complained about one respondent from which they are entitled to recover their losses in full; has not complained against the

other firm (and so is unlikely to recover any amounts apportioned to that firm); 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'm satisfied that it would be fair to hold Revolut responsible for Mr D's loss from the third payment.

Should Mr D bear any responsibility for his losses?

In considering this point, I've taken into account what the law says about contributory negligence as well as what's fair and reasonable in the circumstances of this complaint.

There's a general principle that consumers must take responsibility for their decisions. I've duly considered whether Mr D should bear some responsibility by way of contributory negligence. Having done a backdated search on the internet, I couldn't see a lot of information about C in the public domain. But, other than looking at C's website, Mr D doesn't appear to have carried out independent research into the investment opportunity in general considering promises of guaranteed returns and zero losses were made. Our service has made enquiries with the bank that Mr D made deposits to Revolut from and their notes from when the scam was reported state that he thought he was trading and was aware it could go up and down. I consider it reasonable that promises of zero losses ought to have given Mr D cause for concern.

Also, in this instance, we've received very little by way of correspondence between Mr D and the scammer. It's been explained that most of the communication was over the phone. So, it is unclear whether Mr D questioned why he needed to make multiple payments on 26 April when he asked to withdraw his profits. I can see from the email correspondence that we do have that Mr D raised concerns with the fraudster later that evening and following day. Considering his initial investment was only around £6,000, Mr D ended up sending nearly seven times that amount in one day when attempting to make a withdrawal. From what he's told us, it doesn't appear that Mr D carried out any independent due diligence before parting with even more money.

Having thought carefully about this, I do think that Mr D ought to bear some responsibility for his losses and that compensation should be reduced accordingly. I intend concluding that it would be fair to reduce compensation payable by 50%."

I invited both parties to provide any further evidence and arguments for me to consider before issuing a final decision.

Mr D's representative replied and confirmed that Mr D accepted my provisional findings.

Revolut asked for additional time which I agreed to. It has since replied and said that it doesn't believe my provisional decision is fair. I've summarised Revolut's response below:

- Revolut isn't entitled to obtain information from other financial institutions involved in multi-stage frauds. But the Financial Ombudsman Service is empowered to compel disclosures from the relevant financial institutions or the customer themselves under

the provisions of DISP 3.5.11. It is also empowered to consider evidence from third parties under DISP 3.5.12. Revolut believes that the use of such provisions may prove effective in this scenario to establish a clearer understanding of events.

- It may also be applicable for the Financial Ombudsman Service to exercise its power under DISP 3.5.2 to inform the customer that it could be appropriate to make a complaint against another respondent if necessary, especially when considering the sums involved. Revolut requests our service to involve the relevant financial institutions to ensure a fair outcome for both the complainant and Revolut.
- Revolut doesn't consider it fair to ask it to refund the entire loss just because the customer does not wish to lodge another complaint. If the customer wishes to recover their full amount, they should lodge the complaint against the relevant financial institutions.
- Revolut has asked that I consider a split liability with the sending bank.

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.

I thank the parties for their comments in response to my provisional decision. I've carefully considered the arguments Revolut has put forward. Having done so, I'm not persuaded to reach a different conclusion about what is fair and reasonable in the circumstance of this complaint. The outcome I've reached on this complaint hasn't changed.

In reaching my decision about what is fair and reasonable, I've taken into account that Mr D purchased cryptocurrency which credited an e-wallet held in his own name, rather than making a payment directly to the fraudsters. So, he remained in control of his money after he made the payments from his Revolut account and took further steps before the money was lost to the fraudsters. I've also taken into account that the payments that funded the scam were made from another account in Mr D's name with a regulated financial business.

But as I set out in some detail in my provisional decision, I think that Revolut still should have recognised that Mr D might have been at risk of financial harm from fraud when he made the third transaction in dispute. And in those circumstances, Revolut should have made further enquiries about the payment before processing it. If it had done that, I'm satisfied it would have prevented the losses Mr D 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 D's own account doesn't alter that fact and I think Revolut can fairly be held responsible for Mr D's 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 considered Revolut's representation that consideration must be given to other parties involved in the multi-stage fraud to determine the overall responsibility for the loss suffered by Mr D. But as I have explained, Mr D 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 D could instead, or in addition, have sought to complain against those firms. But Mr D has not chosen to do that and ultimately, I can't compel him to. In those circumstances, I can only make an award against Revolut.

As I've explained, I'm satisfied that Revolut ought, taking reasonable steps, to have

prevented the third payment. If it had done so, I'm satisfied it is more likely than not that it would have prevented the loss Mr D suffered as a consequence of that payment and the subsequent payments. So, I'm satisfied that the starting point is that it's fair to require it to compensate Mr D for the losses it could have prevented by taking reasonable steps.

While it's open to me to inform a complainant that it might be appropriate to complain against another respondent, I don't consider it necessary or appropriate for me to do that in this case – I haven't seen evidence that persuades me that I should exercise my discretion to do this; Mr D is aware that he could also have attempted to complain against his own bank and Revolut could itself have informed Mr D that another firm might also be responsible (and why) when he first complained (see DISP 1.7.1R).

Revolut has asked that I consider a split liability with the sending bank. I've considered Revolut's arguments carefully, but I'm not persuaded that it would be fair to reduce Mr D's compensation for those reasons in circumstances where Revolut could have prevented all of Mr D's losses connected with the third (and subsequent) payments and Mr D has only complained about Revolut, as he is entitled to do. That reflects the facts of the case and my view of the fair and reasonable position.

I note that in *R (on the application of Portal Financial Services LLP) v Financial Ombudsman Service Ltd* [2022] EWHC 710 (Admin) the High Court was satisfied that it was rational for the Ombudsman to hold an advisor responsible for 100% of the complainant's losses, notwithstanding that 'this would not be the outcome at common law, and that the Ombudsmen were required to consider the law and give reasons for departing from it and have not done so.' The court was satisfied that it was rational for the Ombudsman to conclude that, but for the business's own actions, the loss could have been prevented and that it was open to the Ombudsman to conclude that the business should be held responsible for 100% of those losses. The High Court reached a similar conclusion in *R (IFG Financial Services Ltd) v Financial Ombudsman Service* [2005] EWHC 1153 (Admin) at paragraphs 13 and 93.

For the reasons set out above, I'm satisfied that similar considerations apply in the present case.

Where a consumer has complained about more than one respondent in connected circumstances, DISP 3.6.3G says the Ombudsman may determine that the respondents must contribute towards the overall award in the proportion that the Ombudsman considers appropriate. But that does not apply to Mr D's situation.

The Financial Ombudsman Service was set up to determine complaints quickly and with minimum formality. Taking this statutory purpose into account, I think it wouldn't be proportionate or appropriate for me to conduct a separate exploratory investigation into the actions of other potential respondents for the purpose of apportioning compensation between potential respondents, where: the consumer has only complained about one respondent from which they are entitled to recover their losses in full; has not complained against the other firm (and so is unlikely to recover any amounts apportioned to that firm); and where it is appropriate to hold a business such as Revolut, that could have prevented the loss, responsible for failing to do so.

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'm satisfied that it would be fair to hold Revolut responsible for Mr D's loss from the third payment onwards (subject to a deduction for Mr D's own contribution which I considered in my provisional decision). As I've explained, the potential for multi-stage scams, particularly those involving cryptocurrency, ought to have been well known to Revolut. And as a matter

of good practice and as a step to comply with its regulatory requirements, I consider Revolut should have been on the look-out for payments presenting an additional scam risk including those involving multi-stage scams.

Putting things right

To put things right for Mr D, Revolut Ltd needs to:

- Refund 50% of the disputed payments from (and including) the third payment onwards; plus
- Pay interest on the refunded disputed payment amounts at Mr D's savings account interest rate at the time, calculated from the dates of loss to the date of refund (less any tax properly deductible).

My final decision

For the reasons given, my final decision is that I uphold this complaint. I require Revolut Ltd to put things right for Mr D as set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 10 October 2024.

Gagandeep Singh
Ombudsman