

The complaint

Mr T complains that Revolut Ltd will not refund money he said was lost to a scam.

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

What happened

The background to this complaint is well known to both parties so I won't repeat it in detail here. In summary, Mr T said he made the following payments as a result of the scam.

Payment	Date	Transaction type	Amount	Fees
1	31 October 2023	card payment	£82.30	
2	01 November 2023	card payment	£118.00	
3	07 November 2023	card payment	£594.56	
4	09 November 2023	card payment	£982.37	£6.64
5	09 November 2023	card payment	£98.32	£0.98
6	12 November 2023	card payment	£90.16	£1.80
7	12 November 2023	card payment	£90.36	£1.80
8	12 November 2023	card payment	£180.72	£3.62
9	12 November 2023	card payment	£496.97	£9.94
10	12 November 2023	card payment	£498.32	£4.98
11	15 November 2023	card payment	£173.35	£1.73
12	15 November 2023	card payment	£8.07	£0.08
13	18 November 2023	card payment	£494.33	£9.88
14	20 November 2023	card payment	£777.53	£7.78
15	20 November 2023	card payment	£232.26	£2.32
16	20 November 2023	card payment	£776.67	£7.77
17	20 November 2023	card payment	£224.32	£2.24
18	20 November 2023	card payment	£224.14	£2.24
19	20 November 2023	card payment	£776.54	£7.77
20	21 November 2023	card payment	£758.47	£7.58
21	21 November 2023	card payment	£535.47	£5.35

22	21 November 2023	card payment	£750.65	£7.51
23	21 November 2023	card payment	£766.75	£7.67
24	22 November 2023	card payment	£537.06	£5.37
25	22 November 2023	card payment	£224.49	£2.24
26	23 November 2023	card payment	£759.44	£7.59
27	24 November 2023	card payment	£191.23	£1.91
28	24 November 2023	card payment	£536.08	£5.36
30	01 December 2023	card payment	£87.14	
31	01 December 2023	card payment	£87.63	
32	01 December 2023	card payment	£86.67	
33	01 December 2023	card payment	£86.70	
34	01 December 2023	card payment	£173.50	
35	01 December 2023	card payment	£173.45	

Mr T said in June 2023 a friend recommended an investment opportunity. Mr T said he researched the investment company and subsequently decided to go ahead with the investment. The payments were sent to a cryptocurrency platform, where the funds were exchanged to cryptocurrency before Mr T sent them on to the scammer. When he realised it was a scam, he raised the matter with Revolut but it didn't uphold his complaint.

Our investigator concluded that the complaint should be upheld. He thought Revolut ought to have intervened, and he thought it could have prevented some of Mr T's losses if it had done so. However our investigator also thought Mr T acted unreasonably and so should bear equal responsibility for the loss.

Revolut didn't accept our investigator's view, as such the complaint has been passed to me for a final decision.

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;

- have acted to avoid causing foreseeable harm to customers, for example by maintaining adequate systems to detect and prevent scams and by ensuring all aspects of its products, including the contractual terms, enabled it to do so;
- 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 T was at risk of financial harm from fraud?

I find Payments 1 to 18 were in line with Mr T's typical account usage. Mr T had sent payments of similar value and significantly higher sums in the months prior. In the most part the payments were made hours or days apart as such, I do not think these payments would have triggered Revolut's fraud detection system. However, I think it ought reasonably to have been suspicious by the time Mr T made Payment 19, this was the sixth payment Mr T made to the cryptocurrency platform in that day, and by this time the total he sent on the day had exceeded more than £3,000. I find that the frequency of payments had increased which is commonly found where fraud is involved. Therefore, I think Revolut ought reasonably to have been concerned that Mr T might be at a heightened risk of fraud and intervened, but I cannot see that Revolut did so.

In light of the increase in multi-stage fraud, particularly involving cryptocurrency, I don't think that the fact the payments in this case were going to an account held in Mr T's own name should have led Revolut to believe there wasn't a risk of fraud.

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. As mentioned above, I find Revolut should have intervened when Mr T attempted to make Payment 19, and I think it ought to have asked Mr T a series of questions in order to identify the purpose of the payment and provided a tailored warning relevant to the stated purpose. In doing so I think it is likely to have come to light that the payment was towards what Mr T believed to be an investment opportunity.

In light of this and knowing (or strongly suspecting) that the payment was going to a cryptocurrency provider, Revolut should have provided a warning (whether automated or in some other form) that was specifically about the risk of cryptocurrency scams, given how prevalent they had become by the end of 2022. At this point in time, I think that such a warning should have addressed the key risks and features of the most common cryptocurrency scams – cryptocurrency investment scams.

The warning should have highlighted, in clear and understandable terms, key features such as an advertisement on social media, promoted by a celebrity or public figure; an 'account manager', 'broker' or 'trader' acting on their behalf; the use of remote access software and a small initial deposit which quickly increases in value.

If Revolut had provided a warning of the type described, would that have prevented the losses Mr T suffered from Payment 19?

I can't see any evidence that Mr T was heavily coached by the scammer or that he was so under the spell of the scammer that he would not have taken heed of such a warning. So I think it is likely that the warning would have caused Mr T to pause and investigate things more closely. Had he carried out a search online, it would have come to light this was in fact a scam. I carried out my own research and found several negative reviews at the time, including a decision by our service which all indicated the investment firm was fraudulent. Knowing this, I think its likely Mr T would have stopped making payments.

Is it fair and reasonable for Revolut to be held responsible for Mr T's loss?

I have taken into account that Mr T 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 T was at risk of financial harm from fraud, made further enquiries about Payment 19 and ultimately prevented Mr T's loss from that point. I think Revolut can fairly be held responsible for Mr T'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 T 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 T's compensation because he has only complained about one firm, as I consider that Revolut should have prevented the loss.

Should Mr T bear any responsibility for his losses?

I appreciate that there were aspects of the scam that would have appeared genuine to Mr T. Despite this, there were several red flags I think ought to have concerned him.

Mr T was introduced to the investment by a friend and I think his decision to invest was based on what his friend told him about the investment. Mr T said he searched online and only found positive reviews about the firm, however I can see that at the time he decided to invest, there were already negative reviews about the firm and indications it was a scam.

He was added to a group chat on a messaging service in which several members indicated that the promised returns appeared to be too good to be true, they also mentioned that it was likely a scam, which I think is a red flag Mr T ought to have taken heed off and carried out more in-depth research before proceeding.

Furthermore, at the time Mr T was told he needed to register his account on a new app and make a further deposit to complete the registration, I think this ought to have appeared unusual and caused Mr T to carry out research before making any further payments.

I understand that Mr T 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 T ought to bear equal responsibility for the loss he incurred from Payment 19 onwards.

My final decision

For the reasons outlined above, my final decision is that I uphold this complaint and require Revolut Ltd to:

- Refund Payments 19 to 35, plus any fees charged. It should deduct 50% from this figure for contributory negligence.
- Pay 8% simple interest per year on the refund, for the loss of use of this money, calculated from the date of each payment to the date the settlement is paid.

If Revolut considers that it's required by HM Revenue & Customs to deduct income tax from that interest, it should tell Mr T how much it's taken off. It should also give Mr T a tax deduction certificate if he asks for one, so he can reclaim the tax from HM Revenue & Customs if appropriate.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T to accept or reject my decision before 16 October 2025.

Oluwatobi Balogun
Ombudsman