

The complaint

Mr G complains that Revolut Ltd didn't do enough to protect him from the financial harm caused by an investment scam, or to help him recover the money once he'd reported the scam to it.

What happened

In March 2024, Mr G came across an opportunity to invest in cryptocurrency using a company I'll refer to as "D". He completed an online form and was contacted via WhatsApp by someone I'll refer to as "the scammer", who said he was an investment broker. The scammer explained to Mr G that he would make trades on his behalf in return for commission on the profits. He told him to purchase cryptocurrency and then load it onto an online wallet, so Mr G made payments to the scam from Bank N and Bank S.

By 18 April 2024 he believed he'd made \$10,000 on the initial investment and the scammer encouraged him to open accounts with Revolut and another cryptocurrency exchange I'll refer to as "C". He funded the account with funds from Bank N and Bank S and between 25 April 2024 and 6 May 2024, he made four transfers from Revolut totalling EUR 110,250.

Mr G realised he'd been scammed when he was unable to withdraw his profits. He complained to Revolut with the assistance of a representative who said it should have intervened because he was making high value transactions from a newly opened account, and funds were credited into the account and paid straight out again. They said it should have questioned Mr G about the payments, including how he'd come across the investment and what profits he'd been promised. It should also have provided warnings and made sure he'd carried out sufficient checks to establish the legitimacy of the payee. They argued that if there had been an effective intervention it would have been apparent that he was falling victim to a scam and his loss would have been prevented.

The representative also explained that Mr G had believed the investment was genuine because he'd googled D, the merchants he paid were regulated companies, the scammer came across as very knowledgeable, and he thought the initial investment had generated a profit.

But Revolut refused to refund any of the money. It said it had sought recovery of the funds in less than 24 hours, but no funds remained. And it provided sufficient warnings including a new beneficiary warning and a message confirming the transactions were high risk. Mr G was also asked about the purpose of the payment, whether someone was pressuring him, and if he'd been called unexpectedly.

Mr G wasn't satisfied and so he complained to this service with the assistance of his representative and, responding to the complaint, Revolut explained that Mr G opened the account on 23 April 2024, selecting 'spending abroad', 'overseas transfers', 'crypto', 'transfers' as the account opening purposes. It stated that it is an Electronic Money Institute ("EMI"), and accounts are typically opened and used to facilitate payments of a specific purpose and often not used as a main account, so the payments weren't unexpected.

It said Mr G was shown a new beneficiary warning, and for two of the payments, he was asked to provide a payment purpose, to which he responded, 'as part of an investment', before being shown warnings tailored to the selection. It said he didn't respond honestly to the questions he was asked, which prevented it from detecting the scam. And the warnings it showed were appropriate and proportionate to the risks identified from his responses to clear, targeted questions.

Revolut also argued that the payments were self-to-self transactions and Mr G was topping up the account with funds from his main bank account before transferring them to accounts held with cryptocurrency platforms, so the fraud didn't take place on the Revolut platform.

Finally, it said Mr G didn't question why the scammer was asking him to lie, and he chose to discount its warnings, which suggested he was committed to proceeding with the transfers. It also said that the use of WhatsApp and the limited information available online about D should have raised concerns and, given the extended duration of the scam and the multiple transactions involved, he had ample opportunity to exercise caution.

Our investigator didn't think the complaint should be upheld. She commented that Revolut repeatedly asked Mr G whether he was being guided, but he didn't mention D or the scammer. And on 25 April 2024, he indicated that he'd found D on the Financial Conduct Authority ("FCA") register. She further commented that Mr G rushed the agent in the chat, and he was clearly warned about the risk that he was being scammed, but he proceeded with the payments.

She was satisfied the interventions were proportionate, and she didn't think there was anything further Revolut could have done to prevent Mr G's loss, or that it was at fault for processing the payments.

Finally, she was satisfied Revolut did what it could to recover the funds, but they'd already been moved to the scam. And she didn't think he was entitled to any compensation. Mr G's representative asked for his complaint to be reviewed by an Ombudsman.

My provisional findings

I issued a provisional decision on 27 August 2025, in which I stated as follows:

I'm satisfied Mr G 'authorised' the payments for the purposes of the of the Payment Services Regulations 2017 ('the Regulations'), in force at the time. So, although he didn't intend the money to go to scammers, under the Regulations, and under the terms and conditions of his bank account, Mr G is presumed liable for the loss in the first instance.

There's no dispute that this was a scam, but although Mr G didn't intend his money to go to scammers, he did authorise the disputed payments. Revolut is expected to process payments and withdrawals that a customer authorises it to make, but where the customer has been the victim of a scam, it may sometimes be fair and reasonable for the bank to reimburse them even though they authorised the payment.

Prevention

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 in April 2024 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;
- 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.

I've thought about whether Revolut did enough to prevent the scam from occurring altogether. Revolut ought to fairly and reasonably be alert to fraud and scams and these payments were part of a wider scam, so I need to consider whether it ought to have done more to warn Mr G when he tried to make the payments.

On 24 April 2024, Mr G tried to transfer EUR 15,000 to a cryptocurrency exchange I'll refer to as "K", and Revolut asked him for the purpose of the payment to which he responded, 'as part of an investment'. He was then required to complete a questionnaire where he confirmed he wasn't being assisted, he was investing in cryptocurrency, he hadn't installed any software, he learned about the opportunity from friends and family, he'd invested in cryptocurrency before, he'd checked the FCA register, and he had control of the recipient account. He was then directed to a live chat where he confirmed he wasn't being guided.

The account was unblocked but further attempts to transfer funds to K were declined. The following day, he tried to transfer EUR 41,530 to B, and Revolut intervened again, asking for a payment purpose and asking questions via the questionnaire and online chat. Mr G gave similar responses and the payment was processed.

There was a further intervention on 26 April 2024 when Mr G said he hadn't been told to download AnyDesk, the cryptocurrency would be sent to his 'cold wallet', and he provided a screenshot of the previous transaction in the recipient account.

I've considered whether the interventions were proportionate to the risk presented by the payments, and I'm satisfied Mr G was asked relevant and probing questions, and that he provided misleading responses and failed to mention D, which prevented Revolut from detecting the scam.

Mr G was warned that he might be falling victim to a cryptocurrency scam and that fraudsters use social media to promote fake investment opportunities and ask victims to install software to their devices, but as Revolut knew he was investing in cryptocurrency, I would expect a more detailed warning which was tailored to cryptocurrency investment scams, and which included information about how cryptocurrency investment scams work, as well as advice on additional due diligence.

But I don't think this would have made any difference because he was communicating with the scammer around the time of the interventions, he believed he'd already made a profit, and he trusted the investment was genuine to the extent that he provided misleading responses to Revolut's questions. So, I don't think more detailed warnings would have prevented him from making the payments, therefore I'm not minded to uphold this complaint.

Recovery

I don't think there was a realistic prospect of a successful recovery because Mr G paid an account in his own name and moved the funds onwards from there.

Compensation

The main cause for the upset was the scammer who persuaded Mr G to part with his funds. I haven't found any errors or delays to Revolut's investigation, so I don't think he is entitled to any compensation.

I'm sorry to hear Mr G has lost money and the effect this has had on him. But for the reasons I've explained, I don't think Revolut is to blame for this and so I'm not minded to uphold this complaint.

Developments

Neither party has submitted any additional evidence or comments for me to consider.

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.

Because neither party has submitted any additional evidence or comments, the findings in my final decision will be the same as the findings in my provisional decision.

My final decision

For the reasons I've outlined above, my final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 13 October 2025.

Carolyn Bonnell
Ombudsman