

The complaint

Mr H complains Revolut Ltd (“Revolut”) won’t refund the money he lost to a cryptocurrency investment scam.

What happened

I issued a provisional decision in July 2025 to explain why I thought Mr H’s complaint should be partially upheld. And I said I’d consider anything else anyone wanted to give me before proceeding with my final decision.

This is an extract from my provisional decision:

“The detailed background to this complaint is well known to both parties. So, I’ll only provide a brief overview of some of the key events here:

In November 2022, Mr H fell victim to a cryptocurrency investment scam. He had been looking to invest in cryptocurrency when he saw an advert for a company I will refer to as “Z” on a social networking website. Interested, he clicked on a link to request further information. Shortly after, he was contacted by someone who told him they were an experienced “broker” who had developed an algorithm that allowed them to successfully trade in cryptocurrency and make substantial profits. Unbeknown to Mr H at the time, he was actually speaking with a scammer.

Mr H’s “broker” instructed him to set up an account on what we now know to be a fake investment portal. Mr H was also instructed to set up an account with a genuine cryptocurrency exchange which I will refer to as “C”.

Over the next four weeks, Mr H made the following payments from his Revolut account to the cryptocurrency account he had set up as part of the scam. The funds were then used to buy cryptocurrency which Mr H then sent on to the scammer:

Payment no	Date & time	Payment type	Payee	Amount
Payment 1	16 November 2022	Card	Mr H’s own account at C	£1.43
Payment 2	22 November 2022	Card	Mr H’s own account at C	£2,063.92
Payment 3	7 December 2022	Card	Mr H’s own account at C	£2,574.75
Payment 4	13 December 2022	Card	Mr H’s own account at C	£5,149.50
			Total loss	£9,789.60

The payments that left Mr H’s Revolut account were facilitated by incoming payments from an account Mr H held with a third-party bank.

Mr H made the payments at the request of the scammer believing he was trading in cryptocurrency and each time he topped up his account on the fake investment portal, he could see the corresponding funds crediting his account. He could also see the proposed profits. Mr H was told that before he could withdraw his funds, he would need to meet a minimum investment threshold.

Mr H says he realised he'd likely been the victim of a scam when the scammers kept asking him for money, but he hadn't been able to withdraw any of his capital or profits. At this point, Mr H realised he wasn't dealing with a genuine company and so he reported what had happened to him to Revolut.

Revolut declined to provide Mr H with a refund of the amount lost. It said it was unlikely that any chargeback claims would be successful. It also said that as Mr H had initially sent the scam funds to a cryptocurrency wallet in his own name, his Revolut account was not the point of loss and that Mr H had failed to complete any due diligence on Z before he decided to invest.

Unhappy with Revolut's response, Mr H brought his complaint to this service, via his representatives. One of our investigators looked into things. The investigator recommended that the complaint be partially upheld. They said that by the time Mr H attempted to make the 4th payment from his account, Revolut should've flagged the transaction as suspicious and contacted Mr H to discuss it before it was allowed to leave his account. The investigator said that had Revolut done so, Mr H's loss could've been prevented from this point onwards and so they recommended Revolut refund Mr H from Payment 4 onwards.

Mr H agreed with our investigator's findings but Revolut did not. It reiterated that the point of loss was not Mr H's Revolut account so Revolut should not be held liable for the loss now.

As an informal agreement could not be reached, the case has been passed to me for a decision.

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 deciding what's fair and reasonable, I am 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.

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 H was at risk of financial harm from fraud?

I agree with our investigator in that I don't think the first three payments were so unusual that they should've prompted intervention from Revolut. The payments were all for relatively modest amounts and were spread out over three or so weeks. So, I don't think there was anything so inherently suspicious about these payments that meant they should've prompted further questioning by Revolut before they were allowed to leave Mr H's account.

I am however persuaded that Revolut should've had concerns about the activity on Mr H's account once he attempted to make Payment 4. This payment was being made to a well-known cryptocurrency provider, it was significant in value and Mr H's total outlay was now significant too. So, by this point, I'm satisfied that the activity on Mr H's account had started to bear some of the hallmarks of a scam.

Taking the above factors into account, I'm satisfied that when Mr H attempted to make this payment, Revolut should have considered that he could be at heightened risk of financial harm from fraud. In line with good industry practice at the time, Revolut should therefore have provided a warning before it allowed the payment to be processed.

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. 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 the payment was made. Having done so, I'm satisfied Revolut should have sought to speak with Mr H in person, for example, by directing him to its in-app chat to discuss the payment further.

If Revolut had attempted to establish the circumstances surrounding Payment 4, would the scam have come to light and Mr H's loss been prevented?

Had Mr H told Revolut that he was being asked to move money by a cryptocurrency broker he had found online, I'm satisfied that Revolut would've most likely recognised that he was falling victim to a scam. It would have been able to provide a very clear warning and, given that Mr H had no desire to lose his money and nothing to gain from going ahead with the payment, it's very likely that he would have stopped, not followed the scammer's instructions and his loss would have been prevented from this point onwards. So, I've firstly considered whether Mr H would've revealed that he was being asked to move money for the purposes of cryptocurrency trading by a stranger he had found online.

I haven't seen anything to persuade me that Mr H would've chosen to mislead Revolut – he had no reason to. He genuinely believed he was transferring money as part of a legitimate investment. And ultimately, as Revolut didn't question the payments Mr H made, it can provide no compelling evidence that he would have actively misled it about the purpose of the payments or the surrounding circumstances.

So, Revolut should, once it had established why Mr H was making the payment, provided a very clear warning that should have highlighted the key features of common cryptocurrency investment scams, for example referring to: an advertisement on social media, promoted by a celebrity or public figure; an 'account manager', 'broker' or 'trader' acting on their behalf; access to a fake trading platform; the use of remote access software and a small initial deposit which quickly increases in value.

I think, on the balance of probabilities, that's likely to have caused Mr H to stop. He didn't want to lose his money and I can see no reason for him to have continued to make the payment if he was presented with a warning of this nature. He would've been actively engaging with someone in real time who would've had been able to tell him he was falling victim to a scam. So, I'm satisfied that had Revolut established the circumstances surrounding Payment 4, as I think it ought to have done, and provided a clear warning, Mr H's loss from and including Payment 4 would have been prevented.

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

In reaching my decision about what is fair and reasonable, I have taken into account that the payments which ultimately funded the scam were paid into Mr H's Revolut account from another account held in Mr H's name with different regulated financial business, and that the disputed payments went from Revolut to a cryptocurrency exchange account in Mr H's name.

I have carefully considered Revolut's view that it merely acted as an intermediate link – being neither the origin of the funds lost nor the point of loss. But as I've set out in some detail above, I think that Revolut should still have recognised that Mr H might have been at risk of financial harm from fraud when he made Payment 4, and in those circumstances it should have intervened proportionately. If it had, I'm satisfied that it would most likely have prevented the further losses Mr H suffered. The fact that the money used to fund the scam came from elsewhere and/or wasn't lost at the point it was transferred to another of Mr H's own accounts does not alter that fact and I think Revolut can fairly be held responsible for Mr H's losses in such circumstances. I don't think there is any point of law or principle that says a complaint should only be considered against either the firm that is the origin of the funds or the point of loss.

Overall, I am satisfied that it would be fair to hold Revolut responsible for Mr H's loss from Payment 4 onwards (subject to a deduction for Mr H's own contribution which I will consider below).

Should Mr H 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.

I recognise that, as a layman who claims to have little investment experience, there were aspects to the scam that would have appeared convincing. I've taken into account the provision of the trading platform, which based on what Mr H has said, appeared genuine.

My intention is not to further Mr H's distress where he's already been the victim of a cruel scam. However, I am satisfied that Mr H should've had serious concerns about what he was being told by the scammers from the outset and that he should've questioned the legitimacy of the supposed investment. Specifically, I've taken into account:

- *Mr H didn't seek to independently verify the information he was being provided with by the scammers nor have I seen any evidence to support that he sought to verify Z's legitimacy.*
- *The returns offered to Mr H and the timescale to receive them in appears to have been too good to be true. Mr H has provided me with a recording of a telephone conversation he had with the scammers part way through the scam which suggests he had been told he'd made £40,000 to £50,000 in profits over a two-week period on a capital investment of just under £10,000. And so, I'm satisfied that what was being offered here was so unrealistic and unlikely that Mr H ought reasonably to have had significant concern about the legitimacy of the opportunity that was presented to him. That, in turn, ought to have led to a greater degree of checking on his part.*
- *Mr H found the supposed investment opportunity on social media and was not provided with any paperwork in regard to the investment. I'm not persuaded that this would allude to this being a legitimate high value investment.*

So, overall, I've concluded on balance, that Revolut can fairly reduce the amount it pays to Mr H 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 else to recover Mr H's money?

I've also thought about whether Revolut could have done more to recover the funds after Mr H reported the fraud. However, the card payments were used to purchase cryptocurrency via Mr H's own cryptocurrency account. So, I'm not persuaded there would have been any reasonable prospect for a chargeback claim succeeding, as the merchant would be able to demonstrate that it had provided the goods / services that had been purchased using the debit card (in this case, the cryptocurrency that was then sent on to the scammer). So I don't think there was anything more Revolut could've done to recover the money in these circumstances."

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.

Having done so, I'm minded to reach the same overall conclusion as I reached in my provisional decision. I'll explain why below.

Revolut responded to my provisional decision to say it had nothing further to add. Mr H disagreed with my provisional decision. He asked me to reconsider my recommendation that he should be considered contributory negligent. He said:

- Social media is becoming a common platform for promoting businesses and it shouldn't now be considered unusual for legitimate investment opportunities to be advertised in this manner.
- He acknowledged that the returns offered to him may have been considered too good to be true from an experienced investor's perspective, but he stressed that he

was an inexperienced investor and did not recognise this - especially when he could see his balance increasing on the fake investment platform provided by the scammers.

I've thought carefully about the additional comments put forward by Mr H. However, I won't be altering my initial conclusions. I'll explain why in more detail below.

I don't agree that the returns being offered here could be considered reasonable or realistic. The scammer had told Mr H he could make profits of £40,000 to £50,000 over a two-week period and I'm satisfied that even an inexperienced investor would've recognised this as being implausible and too good to be true.

So, whilst I do agree with Mr H that it is becoming increasingly common for businesses to promote themselves online, I'm still of the opinion that there were enough red flags here that Mr H should've been more cautious – the investment was being promoted on social media, the returns being offered were too good to be true, no paperwork or documentation had been exchanged and there wasn't anything online that verified Mr H was dealing with a genuine company. So, having considered Mr H's circumstances, I'm not satisfied that this investment did appear legitimate at the time. And so, I won't be altering the conclusions I reached in my provisional decision now.

Putting things right

For the reasons given above, I partially uphold this complaint and recommend Revolut Ltd pay Mr H:

- 50% of his overall loss, from and including, Payment 4.
- 8% simple interest per year on that amount from the date of each payment to the date of settlement.”

*If Revolut Ltd considers that it's required by HM Revenue & Customs to deduct income tax from that interest, it should tell Mr H how much it's taken off. It should also give him a tax deduction certificate if he asks for one, so he can reclaim the tax from HM Revenue & Customs if appropriate.

My final decision

For the reasons explained above, I partially uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 8 September 2025.

Emly Hanley Hayes
Ombudsman