

The complaint

Mrs B complains that Revolut Ltd won't refund the money she lost to a scam.

What happened

The details of this complaint are well known to both parties, so I won't repeat everything again here. However, in brief, Mrs B saw an advert for a company that purported to be a crypto trading firm. I will call this company C.

Mrs B made around 4 payments via a crypto exchange to C. These were card payments and they totalled over £10,000. The first payment was "invested", the second payment was sent to release the profits that she made from the first payment. Then she was contacted by someone pretending to be from the actual crypto digital database saying that her withdrawal had been blocked and she would have to make a payment to release it. The final payment seems to be for the same purpose.

Our investigator upheld the complaint because they thought that Revolut should have intervened during payment 3. He thought that, at this point, Revolut should have intervened with a human intervention when Mrs B made a payment of £6,900 on 20 July 2023. He thought that such an intervention would have likely prevented the scam from continuing. So he thought that Revolut should have refunded the transactions that were made after this point. He did though think that Mrs B was equally liable for her loss, so he made a 50% deduction.

Revolut disagreed and said the following in summary;

- The payments were not unusual for the type of account Mrs B held.
- The transactions were not the point of loss, so the scam did not occur on Revolut's platform.
- We did not consider interventions from the account provider the funds came from and it may have been more appropriate for Mrs B to complain about them.
- Our understanding of the Portal decision is incorrect.

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 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 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;
- 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.

In my view, the first two payments were not large enough and did not form a pattern indicative of a scam, for Revolut to have intervened during these payments. The first payment was for £3,000 but was not being sent to a website that was exclusively crypto related, so I don't think that a crypto warning was merited.

I think that Revolut should have intervened during the payment of £6,900 made on 20 July 2023 and I think that a human intervention would have been appropriate. I say this because it was an unusually large amount compared to Mrs B's account history. Had questions been asked about the payment, I think that Revolut would have been able to highlight to Mrs B that what she was doing had the hallmarks of scam. She had already, at this point, started to have issues withdrawing the "profits" that she believed she had made and was being told she would need to send large amounts of money to be able to make a withdrawal.

So, had Revolut intervened, I think it would've been apparent to Revolut that what she was doing shared some features of common scams and that having to send large amounts of money to the crypto digital database to release 'investment profits' was not something that normally happens. I am also mindful by this point there was an FCA warning about C. So I think at this point, the scam could have been uncovered and I don't think that Mrs B would have sent further funds to the scammer.

I have taken into account that Mrs B remained in control of her money after making the payments from Revolut. It wasn't lost until she took further steps to forward the money on to C. But Revolut should still have recognised that the transactions on Mrs B's account were unusual and was therefore at risk of potential financial harm from fraud and made further enquiries with Mrs B, before releasing the payments. Had it done so it ultimately would've prevented Mrs B's loss from the point highlighted above. I think Revolut can fairly be held responsible for Mrs B's loss in such circumstances.

While I have considered all of the facts of the case, including the role of other financial institutions involved, Mrs B has chosen not to complain about any other firm and I cannot compel her to do so. And, I do not think it would be fair to reduce Mrs B's compensation because she's only complained about one firm, as I consider that Revolut should have intervened and could've prevented the loss, had it done so.

Revolut has addressed an Administrative Court judgment, which was referred to in a decision on a separate complaint. As I have not referred to or relied on that judgment in reaching my conclusion in relation to the losses for which I consider it fair and reasonable to hold Revolut responsible, I do not intend to comment on it. I note that Revolut says that it has not asked me to analyse how damages would be apportioned in a hypothetical civil action but, rather, it is asking me to consider all of the facts of the case before me when considering what is fair and reasonable, including the role of all the other financial institutions involved. And I have done that.

Should Mrs B bear any responsibility for her 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've considered the evidence carefully and, while I accept Mrs B believed this was a legitimate investment opportunity, I'm not persuaded that belief was a reasonable one throughout the course of the scam.

The information online about B included a warning from the FCA and numerous bad reviews. So I don't think that Mrs B researched C at all before entrusting it with her money, which strikes me as being rather reckless, given the amounts that she was sending to C.

I'm also conscious that by the time of the 20 July 2023 payment, when she was looking to take money out, she appears to have been being told she'd made around 6 times her original investment. Given the short time period involved and the amount of profit she'd apparently made, I think she should reasonably have questioned whether this was too good to be true.

In addition, Mrs B was told she needed to make a payment as her funds had been blocked by the crypto database itself, which is not plausible (although I do appreciate that she may not have had the necessary knowledge at the time about crypto and blockchain technology to know whether this was plausible). But had Mrs B carried out any further research, for example online searches, I think she'd have quickly discovered her circumstances were similar to those commonly associated with crypto fraud. Overall, I think it's fair and reasonable for Revolut to make a 50% deduction from the redress payable.

Recovery of funds

I've also looked at whether Revolut could or should have done more to try and recover Mrs B's losses once it was aware that the payments were the result of fraud.

As the payments outlined were card payments, I've considered whether Revolut should have tried to recover the money through the chargeback scheme. This is a voluntary agreement between card providers and card issuers who set the scheme rules and is not enforced by law. A chargeback isn't guaranteed to result in a refund, there needs to be a right to a chargeback under the scheme rules and under those rules the recipient of the payment can defend a chargeback, if it doesn't agree with the request.

We'd only expect Revolut to have raised a chargeback claim if it was likely to be successful and it doesn't appear that would have been the case here. Mrs B paid a legitimate cryptocurrency exchange and would have received a service that involved changing her money into cryptocurrency before sending it to the wallet address she supplied it with. Mrs B's disagreement is with the scammer, not the cryptocurrency exchange. So it wouldn't have been possible for Revolut to process a chargeback claim against the scammer as she didn't pay them directly.

Putting things right

For the reasons I've explained, I uphold this complaint about Revolut Ltd in part and instruct it to do the following:

- 1) Refund the money Mrs B lost to the scam, from and including the 20 July 2023 payment. This can then be reduced by 50%; and
- 2) Pay 8% simple interest per year on the remaining amount of each payment, from the date of each payment was made, to the date of settlement.

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

My final decision

My decision is that I uphold this complaint against Revolut Ltd in part and instruct it to do what I have set out above, to put matters right, in full and final settlement of this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs B to accept or reject my decision before 10 September 2025.

Charlie Newton
Ombudsman