

The complaint

Ms M is unhappy that Revolut Ltd won't reimburse money she lost to a scam.

Ms M has brought her complaint with the assistance of a professional representative. For ease I'll refer to their submissions as being from Ms M.

What happened

In early 2023 Ms M was approached on social media by someone who told her she could make large returns on a cryptocurrency investment with a company I'll call 'T'. She gave T her details and was contacted by a representative of the company, who she only later found out was a scammer.

The scammer told Ms M to open an account with a cryptocurrency platform 'B'. Using her Revolut account, she made card payments to B to buy cryptocurrency, which was paid to T. Ms M said she was reassured when she appeared to have made a profit, based on T's online trading platform. Based on this she continued to make payments.

Between March and June 2023 Ms M made the following card payments totalling £16,160 from her Revolut account to fund her cryptocurrency wallet with B as follows:

	Date	Amount
1	15.03.2023	£1,750.00
2	17.03.2023	£15.00
3	21.03.2023	£160.00
4	25.03.2023	£3,000.00
5	14.04.2023	£4,150.00
6	25.05.2023	£4,085.00
7	26.05.2023	£1,000.00
8	20.06.2023	£2,000.00

Ms M said she borrowed from friends and family to make the payments to T. The scammers told her she'd need to pay withdrawal fees to access her profits and later blocked her from T's platform. It was only then that she discovered she'd been the victim of a cruel scam.

Ms M reported the scam to Revolut. She complained that Revolut had not intervened even though the transactions were out of character for her account.

Revolut responded to say that Ms M had authorised the card payments. It had attempted to recover the payments using the chargeback scheme. It later said this attempt had been unsuccessful because B didn't make an error in processing the card payments.

Unhappy with the outcome, Ms M asked this Service to look into her complaint.

Our Investigator thought that Revolut should reasonably have intervened at payment four (£3,000 on 25 March 2023) because the payment was out of character and unusually large, with no earlier history of payments to cryptocurrency platforms. The payment together with what Revolut knew about cryptocurrency scams meant Revolut should have realised Ms M was at risk of financial harm from fraud. He thought a proportionate response would be for Revolut specifically to warn Ms M about the risk presented by cryptocurrency investment scams. Had it done so, he thought this would likely have exposed the scam and prevented Ms M's further loss. But he thought it fair that Ms M share the liability equally because she didn't act altogether reasonably. So he recommended Revolut refund Ms M 50% of payments four to eight together with 8% simple interest.

Ms M accepted our Investigator's recommended settlement, but Revolut did not so the complaint was referred to me for a decision. I'll summarise Revolut's main arguments:

- It has no legal duty to prevent scams and no obligation to reimburse scam victims of Authorised Push Payment (APP) fraud.
- The card transaction monitoring controls acted in line with expected behaviour for this type of (card) transaction, as the majority of payments were authenticated by 3D Secure (3DS) features where Ms M was asked to approve the payments in its app before she could proceed.
- This is a 'self-to-self' scenario where Ms M owned and controlled the beneficiary account to which the payments were sent. So the fraudulent activity didn't occur on the Revolut account because payments were being made to perform legitimate cryptocurrency purchases to an account in Ms M's own name. The cryptocurrency platform was the final stage before Ms M sent the funds to the scam platform and then lost control of the funds. So the scam didn't occur on Revolut's platform.
- It shouldn't be responsible for its customer's loss in a 'self-to-self' transaction where it is only an intermediate link in a chain of transactions.
- It is relevant to consider possible other bank interventions, as the funds that originated with Revolut came from Ms M's own external bank account. At the very least, it is relevant to consider whether Ms M was warned by her external bank and whether she ignored those warnings. Unlike Revolut, this Service can obtain this information from the external bank and/or Ms M.
- This Service should inform Ms M that it might be appropriate to make a complaint against another respondent.

Before I made my decision we shared with Revolut Ms M's communications with the scammers. Our Investigator also explained that as part of his review he'd approached Ms M's external bank 'L' to ask if it had made any intervention when she was sending money from her account with L to Revolut. Bank L had told us that its online records go back only 12 months, so it couldn't say if any online warnings were provided, but L didn't have records of any interventions (such as calls to Ms M) in the relevant period.

Revolut responded to say:

- Its stance had not changed based on the evidence we had provided. Although the evidence suggests Ms M was not coached by the scammers about how to respond to any questions from her banks, the evidence does show that the scammers coached her about the investment itself and guaranteed 'rich profits'. The evidence also

showed emotional manipulation on behalf of the scammers, which should have been a red flag for Ms M. Her conversations with the scammers suggest she failed to use critical thinking during the period the scam took place, which ultimately led to the financial loss she incurred.

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;
- 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 Ms M was at risk of financial harm from fraud?

It isn't in dispute that Ms M has fallen victim to a cruel scam here, nor that she authorised the disputed payments she made to her cryptocurrency wallet (from where she subsequently transferred the funds to the scammers).

Revolut knew or ought to have known that Ms M's payments were going to a cryptocurrency provider. Losses to cryptocurrency fraud reached record levels in 2022 and, by the end of 2022, many high street banks had placed restrictions or additional friction on cryptocurrency purchases owing to the elevated fraud risk. So, by March 2023, when these payments took place, I think Revolut should have recognised that payments to cryptocurrency carried a higher risk of being associated with fraud.

I've taken into account that Revolut needs to strike a balance between protecting against fraud and not unduly hindering legitimate transactions. I don't consider the amounts and pattern of payments one to three were such that Revolut ought to have been concerned about those payments such that it ought to have provided warnings to Ms M at this point.

But I think that Ms M's payment of £3,000 to B was sufficiently unusual such that it should have triggered an intervention by Revolut. The payment was identifiably to a cryptocurrency platform and was significantly higher than earlier payments she'd made.

What did Revolut do to warn Ms M?

Revolut has said that Ms M had to authorise each payment to B on its app, using its 3D Secure technology and that this provided an element of friction in the transaction. Revolut has not suggested it intervened to warn Ms M that she might be at risk of financial harm from fraud.

What kind of warning should Revolut have provided?

I've noted Revolut's comments about the use of the 3D Secure technology, and the friction this provided. But it did not give Ms M any warning when she made the card payments and she doesn't dispute that she authorised the transactions.

I think a proportionate response to the risk payment four presented would have been for Revolut to provide a warning that was specific to what I consider to be the main cryptocurrency scam risk at the time – cryptocurrency investment scams.

The warning Revolut ought to have provided should have highlighted, in clear and understandable terms, the key features of common cryptocurrency investments scams, for example referring to: an advertisement on social media, which may include being 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.

I recognise that a warning of that kind could not have covered off all the features of a cryptocurrency investment scam. But I think a warning covering the key features of scams affecting many customers, but not imposing a level of friction disproportionate to the risk the payment presented, would have been proportionate and reasonable.

If Revolut had provided a warning of the type described, would that have prevented the loss Ms M suffered from payment four?

I think it is more likely than not, on the balance of probabilities, that if Ms M had seen a warning about cryptocurrency scams this would have resonated with her. The scam she'd fallen victim to had started with an unsolicited approach on social media. She'd then been contacted by someone she believed was acting on her behalf, and her initial smaller payments quickly increased in size.

I've reviewed the exchanges Ms M had with the scammers. Having done so, I've not seen anything to suggest that Ms M was being guided by the scammers about how to answer any questions that Revolut might ask her about the purpose of her payment. I've noted Revolut accepts she wasn't being coached about how to respond to any bank questions. I'll return to the other points it made later in this decision.

Is it fair and reasonable for Revolut to be held responsible for Ms M's loss?

I've taken into account that Ms M remained in control of her money after making the payments from Revolut. Her money wasn't lost until after it was paid to T. But I consider Revolut should still have recognised that Ms M was at risk of financial harm from fraud, made further enquiries about payment four and ultimately prevented Ms M's loss from that point. I think Revolut can fairly be held responsible for Ms M's loss in such circumstances.

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

In any event, our Investigator has explained to Revolut that he made enquiries of Ms M's external bank L. Given the passage of time, that bank wasn't able to confirm whether any online warnings were presented – but it said it couldn't find any evidence of bank intervention. So, on the evidence I can't fairly find that Ms M ignored warnings where her bank L says it didn't intervene.

Should Ms M bear any responsibility for her loss?

Ms M has accepted the proposed settlement that she should bear responsibility for 50% of her loss from and including payment four. I'll explain why I think that's a fair deduction.

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 also considered the points Revolut has made about Ms M's 'lack of critical thinking' about the investment itself.

Ms M didn't receive any paperwork or contracts to sign for the investment and her contact with the scammers was via social media, which isn't generally the way investment advice is offered. She has explained she was not an experienced investor. But I do think this could have raised some questions in her mind.

I understand that Ms M looked at T's website, which she found to be professional. But she didn't do any additional research to satisfy herself that T was genuine. I've noted Revolut's reference to a negative review, but I've not seen anything to show that there was a great deal of information available online about T. That said, I accept that Ms M could have readily easily found that T was not registered with the FCA.

I understand Ms M found T's trading platform convincing and indicated that she was making profits. I think this gave her some additional reassurance. But while she was not experienced in cryptocurrency investments, the returns she was promised appeared to be unrealistic which I think could have raised a red flag.

Having considered all the evidence including the submissions made by Revolut, I consider a deduction of 50% of Ms M's loss from and including payment four is fair and reasonable.

Recovery of funds

I don't consider Revolut could reasonably have done anything more to recover Ms M's money. I say this because the only recovery mechanism for debit card payments is the chargeback scheme. Revolut attempted the chargeback but said this was not successful. I think Revolut's response was reasonable because the 'service' (of loading funds onto Ms M's cryptocurrency exchange account) would have been provided by 'B', the cryptocurrency exchange.

Putting things right

Ms M's loss from the fraud (being payments four, five, six, seven and eight inclusive) is £14,235. Revolut must pay 50% of this amount, being £7,115.50.

I require Revolut Ltd to:

- Refund to Ms A £7,115.50 and add interest* to this amount at the simple rate of 8% per year from the dates payments four, five, six, seven and eight respectively were made until the date of settlement.

*If Revolut considers that it's required by HM Revenue & Customs to take off income tax from that interest it should tell Ms M how much it's taken off. It should also give Ms M a certificate showing this if she asks for one, so she can reclaim the tax from HM Revenue & Customs if appropriate.

My final decision

For the reasons I've explained, my final decision is that I uphold this complaint in part. I require Revolut Ltd to take the steps set out in the 'Putting things right' section above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms M to accept or reject my decision before 7 August 2025.

Amanda Maycock
Ombudsman