

## The complaint

Mr P complains that Revolut Ltd won't refund payments he made as a result of a scam.

## What happened

Mr P was the victim of an investment scam involving the following transactions with his newly opened Revolut account:

Ref.	Date	Description	Amount
-	23 February 2023	Transfer from Mr P's Lloyds' account to his Revolut account	+£100.00
1	23 February 2023	Card payment to Binance	-£15.00
-	23 February 2023	Credit received from Binance	+£60.80
-	27 February 2023	Transfer from Mr P's Lloyds' account to his Revolut account:	+£2,000.00
2	27 February 2023	Card payment to Binance	-£1,500.00
-	28 February 2023	Credit received from Binance	+£328.97
-	16 March 2023	Transfer from Mr P's Lloyds' account to his Revolut account (using funds from a Tesco credit card money transfer)	+£3,000.00
3	16 March 2023	Card payment to Binance	-£3,000.00
-	22 March 2023	Transfer from Mr P's Lloyds' account to his Revolut account	+£3,250.00
4	22 March 2023	Card payment to Binance	-£3,250.00
-	23 March 2023	Transfer from Mr P's Lloyds' account to his Revolut account	+£3,000.00
5	23 March 2023	Card payment to Binance	-£3,000.00

In summary, Mr P came across a supposed cryptocurrency investment company, that I'll refer to as 'M'. He was given an 'account manager' who guided him through investing on M's online platform, with the use of remote access software.

To do this, Mr P was told to open an account with Revolut and make payments from there to Binance, a cryptocurrency exchange. After exchanging the funds, they were sent to wallet addresses M gave him. Mr P was duped into thinking this topped up his account with M. In reality, the funds went to fraudsters, and the investment and M's online platform, which purported to show his trading activity, was fake.

It seems that while Mr P was initially able to withdraw relatively modest amounts from M's platform, he later experienced trouble accessing his profits and became suspicious. Having realised he'd been the victim of a scam, he complained to Revolut in November 2023, via professional representatives, that it ought to have done more to protect him from the scam. Revolut didn't uphold his complaint – it said it couldn't pursue chargeback claims as these were out of time, and Mr P authorised the transactions.

Unhappy, Mr P brought his concerns to our service via his professional representatives. Our investigator considered that Revolut ought to have warned him from the third disputed

payment for £3,000.00 and this likely would've unravelled the scam. So they recommended that it refund his losses from this point, alongside interest to compensate him for the time he's been out of pocket.

Revolut disagreed with the outcome. To summarise its submissions:

- The funds were moved to a crypto wallet in Mr P's name and control and lost from there to the fraudsters. So the scam didn't happen on Revolut's platform.
- The payments weren't out of character, given that Revolut is an Electronic Money Institution (EMI), which isn't typically someone's main account and is more commonly used for cryptocurrency.
- Our service has erred in law when relying on an Administrative Court judgement.
- The role of other financial businesses (including any interventions or warnings they might have provided) needs to be considered.
- Our service should inform the complainant that it might be appropriate to make a complaint against another respondent.

Given the disagreement, the complaint has been passed to me to make 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;
- 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 P was at risk of financial harm from fraud?**

I accept Revolut knew far less about the payments than the detail in which I've described the scam above. But I'm satisfied Revolut ought to have known from the merchant that these payments were related to cryptocurrency.

Given that you can only top up an account with Binance (and most cryptocurrency exchanges) using an account in your own name, I accept this would've offered some reassurance to Revolut. But, by February 2023, I consider that Revolut ought to have considered that payments to cryptocurrency providers carry an elevated risk of fraud. That's given the increase in cryptocurrency scams, which the FCA and Action Fraud had published warnings about.

I appreciate that other high street banks' restrictions meant more people used Revolut to purchase cryptocurrency, and that a significant majority of these purchases will be legitimate. But our service has also seen many examples of consumers being directed by fraudsters to use Revolut accounts to facilitate moving money from their high street bank account to a cryptocurrency provider.

So, taking this all into account, I'm satisfied that when Mr P attempted these payments, Revolut ought fairly and reasonably to have recognised it was connected to cryptocurrency and that this carried an increased risk of fraud, even if the cryptocurrency wallet was in his name.

That's not to say that Revolut ought to have been concerned and responded to every cryptocurrency payment. The first payments – for £15.00 and £1,500.00 – weren't for particularly significant amounts. So I don't think the risk was such that Revolut acted unfairly in making these payments without further checks or warnings.

However, the next payment was for a more significant amount – £3,000. It was also the third payment to a cryptocurrency exchange within a month since Mr P opened the account, and it was for an increasing amount.

With this in mind – the increased risk of cryptocurrency and the pattern and value of the payments leading to payment 3 – I find it represented a risk of financial harm from fraud.

*What did Revolut do to warn Mr P, and what kind of warning should it have provided?*

Revolut didn't take additional steps to warn Mr P in relation to these payments. So I've considered what a proportionate response to the risk from payment 3 would've looked like. And in the circumstances, I think Revolut ought to have provided a tailored warning which covered off the key features of cryptocurrency scams in a clear and understandable way.

*If Revolut had provided a warning of the type described, would that have prevented the losses Mr P suffered from payment 3?*

On balance, I think a written warning would've unravelled the scam. I've noted:

- The scam Mr P fell victim to had the hallmarks of typical cryptocurrency investment scams. For example, he'd found M through an online advert; they used remote access software; and he was appointed an 'account manager' who'd help him trade on their own online trading platform.
- So had Mr P been shown a written warning highlighting the key features of cryptocurrency investment scams, I find it likely it would've resonated with Mr P and the scam would've unraveled from that point.
- In saying that, I've considered whether Mr P would've taken the risk regardless of the warning. I don't know what happened in Mr P's calls with M. But having reviewed the WhatsApp conversations that we have between him and M, I've noted he was

nervous about the investment, and he'd borrowed money to invest. I've also not seen that he was particularly under M's influence, and I note that he appears to have stopped making payments further to his suspicions over the withdrawal process. It follows that I don't think he was 'beyond help' – and, had Revolut provided a warning that showed he was likely falling victim to a scam, I think he'd have taken heed of it. Afterall, he was already apprehensive, and this was money he'd need to pay back.

- I've also considered Mr P's involvement with other firms as part of this scam. Lloyds said it no longer has his internet banking records to show if any warnings were given, but it's no fraud notes or calls in relation to the payments. And Tesco, Mr P's credit card provider who lent money as part of the scam, hasn't responded to our request for information. Given that Revolut also didn't intervene, that means I've nothing specific to say that a written warning relating to cryptocurrency investment scams wouldn't have worked here.

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

I have taken into account that Mr P remained in control of their money after making the payments from Revolut. It wasn't lost until they took further steps. But Revolut should still have recognised that Mr P was at risk of financial harm from fraud, provided a warning about payment 3 and ultimately prevented his loss from that point. I think Revolut can fairly be held responsible for Mr P'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 P has chosen not to complain about any other firm and I cannot compel them to do so. And, I do not think it would be fair to reduce Mr P's compensation because they've only complained about one firm, as I consider that Revolut should have prevented the loss.

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. I'm satisfied I've done that, as outlined above.

*Should Mr P bear any responsibility for their losses?*

Overall, I'm not persuaded that Mr P should share the blame for his losses by way of contributory negligence. I'll explain why.

I've reflected on the sophistication of the scam – Mr P was shown a professional-looking website, and he had his own account manager and online account which purported to show his trading profits and losses. I've also not seen evidence he was promised returns that were 'too good to be true' – indeed, it seems the 'investment' made losses. And I can see how Mr P would've been reassured when he was able to make modest withdrawals from the investment.

I've noted that very little would've appeared to Mr P if he'd searched online about M before he'd invested. But considering that he's said he looked at online reviews, I've noted there were largely positive reviews on a popular online review site from before he started to 'invest'. And while there were some that suggested it could be fraudulent, I can see how

these wouldn't have looked particularly alarming given the prevalence of positive reviews and the overall circumstances of this scam.

I've also reflected on how Mr P borrowed from his credit card to fund the investment. I've not seen he was asked about the purpose of this, so I don't know whether he misled the lender. But even so, I've noted that Mr P was able to quickly repay this in its entirety with money that came in from other means. So I don't think he acted recklessly here.

I've finally considered how, from the conversation records we have, it seems that payments 4 and 5 might have been in connection with a withdrawal he was trying to make. From our service's experience dealing with such scams, we know the lengths fraudsters will go to in order to legitimise such payments – usually with confusing and complicated jargon around taxes and fees. And looking at the transaction records and considering Mr P's testimony, it seems that he no longer funded the scam when he'd suspicions after they said a 'friend' from a cryptocurrency wallet provider could help him with the withdrawal process. Taking this all into account, I don't think he acted particularly unreasonably in making these last payments as part of the scam.

It follows that I've not reduced the award, as I don't find that Mr P acted unreasonably in the circumstances of this elaborate and deceptive scam.

### **Putting things right**

For the reasons I've explained, I think that Revolut should have prevented Mr P's loss from and including payment 3. In calculating fair redress I've taken into account that Mr P has received some reimbursement.

I can see that Mr P received money back that it appears he understood to have been 'profit/return' from his investment. Given he was falling victim to a scam and his 'investment' wasn't genuine, I don't think this money should be attributed to any specific payment. Instead, I think this money should be deducted from the amount lost by apportioning it proportionately across all of the payments Mr P made to the scam. This ensures that these credits are fairly distributed.

To work this out, Revolut should take into account all of the payments Mr P made to the scam, which I've set out in the table above.

In this case, the 'profit/returns' received equals £389.11 and the total amount paid to the scam equals £10,765.00. Revolut should divide the 'profits/returns' by the total amount paid to the scam. This gives the percentage of the loss that was received in 'profits/returns'. Deducting that same percentage from the value of each payment after and including payment 3 gives the amount that should be reimbursed for each payment.

Here the 'profit/returns' amount to 3.61% of the total paid to the scam. It follows that the outstanding loss from each payment after and including payment 3 should be reduced by the same percentage. That means Revolut should reimburse 96.39% of each payment after and including payment 3.

Please note that, for ease of reading, I've rounded the relevant percentages down to two decimal places, but Revolut should perform the calculation I've set out above to arrive at a more precise figure, as I have done to arrive at the figure below.

After taking the steps set out above, I calculate the Mr P's outstanding loss from these payments to be £8,915.65. Revolut should refund this amount alongside 8% simple interest per year from the date of the payments to the date of settlement (less any tax lawfully

deductible). This is to compensate him for the time for the time he's been out of pocket.

### **My final decision**

For the reasons I've explained, I uphold Mr P's complaint. Revolut Ltd must put things right as I've set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 7 October 2025.

Emma Szkolar  
**Ombudsman**