

The complaint

Mr E complains that Revolut Ltd (Revolut) is refusing to refund him the amount he lost as the result of a scam.

Mr E is being represented by a third party. To keep things simple, I will refer to Mr E throughout my decision.

What happened

The background of this complaint is well known to all parties, so I won't repeat what happened in detail.

In summary, Mr E tells us he saw an advertisement online for an investment company I will call "X" that appeared to be endorsed by a well-known celebrity stating he had made a good profit investing with it.

Mr E contacted X and was advised that if he followed X's instructions, he would receive good returns on his investment.

As part of the investment process Mr E was advised to open a cryptocurrency account and an account with Revolut.

Mr E received some credits from the investment but when he attempted to make a larger withdrawal he was asked to make further payments, and it became clear he had fallen victim to a scam.

Mr E has disputed the following payments:

Payment	Date	Payee	Payment Method	Amount
1	11 July 2022	Binance	Debit Card	£50.00
	7 November 2022	Binance		£88.38cr
2	24 November 2022	Binance	Debit Card	£80.52
3	30 November 2022	Ibinex	Debit Card	£9,850.00
	7 December 2022	Binance		£799.35cr
	30 December 2022	Binance		£240.59cr

Our Investigator considered Mr E's complaint and thought it should be upheld in part. Revolut didn't respond to our Investigator's view, so this complaint has been passed to me to decide.

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 E was at risk of financial harm from fraud?

The first payments Mr E made in relation to the scam were for low values so although they were being made to a cryptocurrency exchange, I don't think it was unreasonable that Revolut did not consider them to be of a high risk, or that it didn't intervene when those payments were made.

However, when Mr E made payment 3 he was making a substantial payment of almost £10,000 to a cryptocurrency exchange. While Mr E's account with Revolut was relatively new, I think the value of the payment, and that it was being sent to a cryptocurrency exchange (which in general comes with increased risk) should have caused Revolut concern that Mr E may have been at risk of financial harm and it should have intervened.

What did Revolut do to warn Mr E? and what should it have done?

From the information provided I am unable to see that Revolut intervened when Mr E made any of the scam related payments.

I've thought carefully about what a proportionate warning in light of the risk presented would be in these circumstances. In doing so, I've taken into account that many payments that look very similar to the ones Mr E has disputed will be entirely genuine. I've given due consideration to Revolut's primary duty to make payments promptly

Considering the value of payment 3 and the risk associated with it I think a proportionate intervention from Revolut would have been for it to have intervened and discussed the payment with Mr E in more detail. Revolut could have done this, for example, by stopping the payment and directing Mr E to it's in app chat so that it could ask him appropriate questions.

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

I have no compelling evidence to suggest Mr E would have misled Revolut about the

purpose of the payment he was attempting to make, or the surrounding circumstances.

So, if Revolut had intervened as I think it should have, I think it's likely it would have found that Mr E had found an investment opportunity online that had been endorsed by a well-known celebrity. It's also likely Revolut would have found that X was offering unrealistic returns on the investment and that Mr E had been required to open a Revolut account to facilitate cryptocurrency related payments.

With the above information provided to Revolut I think it would have immediately recognised that Mr E was falling victim to a scam. It would have been able to provide a very clear warning and, given that Mr E had no desire to lose his money, it's very likely that he would have stopped, not followed the fraudster's instructions and his loss would have been prevented.

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

I have taken into account that Mr E likely remained in control of his money after making the payments from his Revolut account and it wasn't lost until he took further steps. But Revolut should still have recognised that Mr E was at risk of financial harm from fraud, made further enquiries about payment 3 and ultimately prevented Mr E's loss from that point. I think Revolut can fairly be held responsible for Mr E's loss in such circumstances.

I have considered all the facts of the case, including the role of other financial institutions involved, and where appropriate this service has also upheld those complaints and required them to pay a proportionate amount of Mr E's loss.

Should Mr E bear any responsibility for his losses?

Despite regulatory safeguards, there is a general principle that consumers must still take responsibility for their decisions (see s.1C(d) of our enabling statute, the Financial Services and Markets Act 2000).

In the circumstances, I do think it would be fair to reduce compensation on the basis that Mr E should share blame for what happened. I say this because from the information provided it is clear that Mr E was promised too good to be true returns on his investment of up to 100% which I think should have seemed unusual to Mr E.

From reading the messages exchanged between Mr E and the scammer it's also clear that Mr E had concerns he may have been falling victim to a scam before he sent larger payments but continued to send the payments anyway without taking any further action such as seeking independent advice.

I think the above should have caused Mr E to have concerns and he should have taken further steps to make sure the investment opportunity was legitimate before making large payments.

Recovering the payments Mr E made in relation to the scam.

Mr E made the payments in relation to the scam by Debit card I can see that Revolut did attempt to recover the payments Mr E made by attempting a chargeback request, but this was unsuccessful.

I don't think Revolut had any other reasonable options available to it to seek recovery of the payments Mr E has disputed.

Putting things right

As two other providers were involved in the payment journey that led to the loss of Mr E's funds their involvement has also been considered when deciding how Revolut Ltd should put things right.

Revolut was the third provider involved.

I don't think provider one did anything wrong or missed an opportunity to prevent the scam, so it has not been asked to repay any of Mr E's loss.

Mr E sent two payments of £4,940 from his account with provider two that were used to finance the larger payment of £9,850 made from Mr E's account with Revolut Ltd in relation to the scam. I think that provider two should have intervened when it sent the second payment, so it has been asked to split liability for that payment between itself, Revolut Ltd and Mr E.

I find that Revolut Ltd should have intervened when Mr E made payment 3 from his Revolut account so liability for the remaining amount of this payment (after the above deduction) should be shared between Mr E and Revolut Ltd.

In summary to put things right Revolut Ltd should refund Mr E:

- 33% of £4,950
- 50% of £4,910

Mr E received returns of £1,039.94 from the scam, which is split between provider two and Revolut Ltd. So, Revolut Ltd should deduct £519.97 from the above amount.

Revolut Ltd is required to add 8% simple interest to the amount it pays Mr E from the date of loss to the date the payment is made (Less any lawfully deductible tax).

My final decision

I uphold this complaint in part and require Revolut Ltd to put things right by doing what I've outlined above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr E to accept or reject my decision before 3 September 2025.

Terry Woodham
Ombudsman