

The complaint

Mr M complains that Revolut Ltd failed to protect him when he fell victim to a scam and that it hasn't reimbursed his loss since that scam was reported.

What happened

As the details of this complaint are well-known to both parties, I'll only summarise the background here.

In November 2023 Mr M was caught up in what's commonly known as a safe account scam. He was contacted by scammers claiming to work for different firms Mr M was an account holding customer of. The scammers told him his money was at risk and action needed to be taken to protect it.

For some of the calls he received, the caller's number was 'spoofed'; being made to look like the genuine firm the scammer claimed to be calling from. He was also told that fraudsters had access to his phone and were able to 'mirror' it.

Mr M was persuaded to transfer his money, believing it to be under threat. There are several accounts and firms involved, so I've looked to simplify the payment journey below:

- Funds start in Mr M's sole account with Bank 1;
- Funds are moved to Mr and Mrs M's joint account with Bank 2;
- Funds then move to Mrs M's sole account with Bank 2;
- Mrs M sends the money to her sole account with Revolut (with some payments then being made from there, but which are not part of this complaint);
- Mrs M sends the remaining money (£21,550) to Mr M's sole Revolut account.

From there, Mr M received notifications of card payments which were going to be made. These were all for cryptocurrency exchanges and money remittance services. Mr M had been told the payee names appeared in that way to disguise where the money was going. He was told it was going back to the bank at the start of the chain, into a new account so it could be returned to him. But it was in fact moving into accounts controlled by the scammers and so was lost.

Mr M was also persuaded to move cryptocurrency held within his Revolut account to an external wallet. It was also lost to the scam.

The scammers had promised Mr M a follow-up call. When this wasn't received, he realised he'd been scammed and reported what had happened to Revolut. It investigated but said it wouldn't reimburse Mr M's loss as all payments had been authorised by him, and it was unable to recover any of the payments.

Mr M brought his complaint to our service as he was unhappy with Revolut's response. One of our investigator's looked at what had happened and said Mr M should receive a partial refund.

He said the activity on Mr M's account ought to have been recognised by Revolut as bearing a high scam risk. He said it should have intervened and questioned Mr M about the

payments. And he was satisfied that, had it done so, the scam could have been stopped without any loss.

Our investigator also considered Mr M's actions and didn't find he'd acted reasonably throughout. He noted Mr M had suspicions from the outset and that the explanation behind the scam became weaker as more transfers, more banks, and more accounts became drawn in. He could also see that the payments out of the Revolut account were clearly shown to be card payments to different merchants, all of which required Mr M's authorisation and participation, and with nothing to suggest the money was making its way back to him.

With these considerations in mind, the investigator said the loss ought to be shared equally between Mr M and Revolut. And so he recommended Revolut reimburse 50% of Mr M's loss. He included the cryptocurrency transactions in that reimbursement.

Neither party agreed.

Revolut said it would agree to the 50% reimbursement of the card payments, but not the cryptocurrency transactions. It said these were not FCA regulated and so fell outside of this service's remit.

Mr M agreed Revolut ought to have stepped in and could have prevented any loss. He felt it should be responsible for more than 50% of the loss, given its failure to act. He made no comment on his own actions, or our investigator's findings in that regard.

The case has been passed to me for a final decision to be made.

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 reaching the same outcome as our investigator and for broadly the same reasons.

I'm limiting to my findings to the points still in dispute following the investigator's findings. While there are a range of considerations relevant to this complaint, it is the case that the parties have only continued to challenge certain aspects of the investigator's recommendations. So whilst I have taken everything that's happened into account, I won't comment on every element, instead focusing on each party's continued objections.

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.

It's with these considerations in mind that our investigator recommended the complaint be upheld. And Revolut largely accepted those findings, as did Mr M. I then see little need to comment further, other than to say I believe the activity on Mr M's account was sufficiently suspicious for Revolut to have intervened and ask questions. That's taking account of payment value, the previous account history, payment velocity, a rejected payment, and payment destination.

I'm also satisfied that had Revolut intervened, asked appropriate questions, and delivered a tailored warning, Mr M's loss could have been avoided. So it's right that Revolut bear some responsibility for the loss.

Revolut agreed a 50% refund based on these principles. Revolut's objection was that the cryptocurrency payments ought not be included in the refund. That's on the basis that cryptocurrency, for the most part, isn't regulated by the FCA and so falls outside the remit of this service.

This is correct, in part. If this complaint were solely about the cryptocurrency activity on Mr M's Revolut account, we might not be able to consider it. But Mr M does have a complaint about payment services and regulated activities that falls within our jurisdiction, and that is accepted by Revolut. The cryptocurrency loss follows on from the scam payments made earlier. And so there is a clear, identifiable, and quantifiable consequential loss that follow those earlier payments. And that is why those payments can and should form part of the redress here.

Mr M's objection to the view centred around Revolut's liability being at 50%. He commented on how Revolut had failed to recognise the suspicious payments and that it ought to have prevented the scam from succeeding. But this isn't really in dispute, given the findings made by our investigator and me. What Mr M hasn't commented on is his own actions and involvement and I consider it fair and reasonable for these to be taken into account.

Like our investigator, I find there was enough going on to say that Mr M ought to have had significant doubts about what he was doing. I have taken account of the fact Mr M received calls from spoofed numbers. I can see how this would be a very persuasive element to the scam. But that detail doesn't outweigh the other circumstances which were at play.

Mr M was suspicious from the outset but received no other assurances or details from the scammer to show the calls were genuine. And he didn't attempt to contact any of his account providers himself.

Mr M was told to move the money through five accounts, before it was then sent to payment destinations with no clear link to Mr or Mrs M. Some of the accounts were Mr M's, some were jointly held with his wife, some were in his wife's sole name. I find it's fair and reasonable to say it became less and less believable that so many different accounts, in different customer names, and held at different banks needed to become involved and were continually becoming compromised. And that Mr M was told to keep using his phone, which had apparently been compromised by fraudsters, is another concerning feature.

It's difficult to understand why no individual account provider couldn't lock down or suspend an account to prevent further transactions if it was truly under threat;

The payments which ultimately led to the loss were clearly card payments out from Revolut. And they were clearly payments being made to various merchants. These details were clearly shown to Mr M as he authorised each payment. I don't find the scammer's

explanation – that they were being disguised so a fraudster could no longer follow the money, despite having tracked it across several accounts by this point – to be plausible in the circumstances.

The cryptocurrency appears to have then been sent off to an unknown location and wallet. It's difficult to understand how the fraudsters control of Mr M's accounts had extended to external cryptocurrency wallets.

I know Mr M was panicked into action as a result of the scam calls. And this no doubt made him react in a way that was not as clear of thought as normally would have been the case. But, given the circumstances I've discussed here, I'm satisfied his actions weren't reasonable where he continued to follow the scammer's instructions. And so I find it's fair and reasonable he shares equal responsibility for his loss.

I have also thought about whether Revolut could have done anything else to recover Mr M's money. But there was no prospect of success for trying to recover the card payments. A chargeback would never have succeeded. That's because the payments were authorised and the service paid for had been delivered, even though Mr M may not have realised that's what was happening. For the cryptocurrency, there was no mechanism by which to seek recovery and so nothing more could have been done.

Putting things right

At Mr M's acceptance Revolut must:

- Reimburse 50% of Mr M's loss including the card payments and the outbound cryptocurrency transactions (using their value at the time), along with any charges associated with those transactions;
- Pay interest on that total sum at 8% simple per year, calculated from the date of loss to the date of settlement.

My final decision

I uphold this complaint against Revolut Ltd.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 1 October 2025.

Ben Murray
Ombudsman