

## **The complaint**

Mr S is unhappy that Revolut Ltd won't refund payments he says he sent to a scam.

He brings the complaint through professional representatives, but for simplicity I've referred to the actions of Mr S throughout this decision.

## **What happened**

In 2024 Mr S says he was contacted by someone he didn't know on social media and began to correspond with them. After a few weeks of messaging, the person said they were a cryptocurrency trader and introduced Mr S to an investment opportunity. He was told he'd be able to double his profits, shown a professional looking platform, and says he couldn't find anything negative online about the company. So Mr S decided to invest.

He was told to send funds from his bank account to his existing Revolut account, and exchange them into cryptocurrency. From there Mr S says he withdrew the cryptocurrency to a wallet provided by the scammer, which he thought was an account on the trading platform. He says he was assisted through the process by the scammer using screensharing software. During one week in April 2024, Mr S exchanged and withdrew almost £7,500 worth of cryptocurrency across several transactions. Each fiat deposit into the account had a corresponding exchange into cryptocurrency and a subsequent withdrawal.

Revolut intervened on the first withdrawal, which was the equivalent of £1,000, and warned Mr S the transaction might be scam related. He was asked for the payment purpose, to which he selected 'something else', and was shown warning screens covering general scam risks – including not giving anyone remote access. Revolut also intervened on the first of two withdrawals that took place on 12 April 2024, and asked Mr S a series of in app automated questions. He answered he wasn't being assisted, it was going to his own crypto wallet, he hadn't been asked to install any software, and he was transferring to an existing account he had control over. Revolut subsequently pulled Mr S into a short chat with an agent, where some of the automated answers he gave were reiterated. The withdrawal was then allowed.

Mr S says he later tried to withdraw his profits but wasn't able to without paying a £2,500 release fee. He showed the email with the request to his bank, who confirmed it was fake – and that's when he realised he'd been scammed. A complaint was raised with Revolut in August 2024, via professional representatives, which argued the final transaction ought to have appeared suspicious. Mr S believed Revolut should have provided a strong fraud intervention, and had it done so the subsequent loss would have prevented. Revolut responded to the complaint to say it thought it had provided adequate warnings, and pursued the recovery of the funds lost – so it didn't uphold the complaint.

Mr S wasn't happy with the response and decided to refer his complaint to our service for review. One of our investigators considered the complaint and didn't think it should be upheld. In his view, Revolut had intervened appropriately, and provided written warnings based on the answers Mr S provided to automated questions. The investigator didn't think it was reasonable to expect Revolut to have done more in the circumstances, based on the level of risk that would have been evident.

Mr S didn't accept the investigator's opinion, and asked for an ombudsman to reconsider matters. In summary, he thought a higher standard of intervention was needed, where further probing questions were asked. So the complaint was 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.

Having done so, I've decided not to uphold this complaint. I know this is not the answer Mr S was hoping for and so this will come as a disappointment. I'm really sorry to hear about the situation he found himself, and I can understand why he'd want to do all he can to recover the money lost. But I need to decide whether Revolut can fairly and reasonably be held responsible for Mr S's loss. Overall, I've decided that it can't be. I'll explain why.

In deciding what's fair and reasonable, I am required to take into account relevant law and regulations, regulators' rules, guidance and standards, and codes of practice; and, where appropriate, I must also take into account what I consider to have been good industry practice at the time.

In broad terms, the starting position at law is that Electronic Money Institutions ("EMI's") such as Revolut are expected to process payments and withdrawals that a customer authorises them 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 in April 2024 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 their customers were at risk of fraud (among other things). 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 – (as in practice Revolut sometimes do);
- have been mindful of – among other things – common scam scenarios, how the 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.

Revolut has a difficult balance to strike in how it configures its systems. It needs to detect unusual activity, or activity that might otherwise indicate a higher than usual risk of fraud, whilst not unduly hindering legitimate transactions. There are many millions of payments made each day, and it would not be possible or reasonable to expect firms to check each one. In situations where firms do (or ought to) carry out checks, I would expect that intervention to be proportionate to the circumstances of the payment.

Revolut would only have potential liability in the matter if Mr S definitely lost this money to a scam – but currently we haven't been provided with any corroborating evidence of that. Mr S

has provided some testimony around what happened, and that is evidence – but his recollections are vague, and given the amounts involved we'd usually need more than someone just saying they'd been scammed in order to direct a refund. For instance, we don't have any of the conversations with the fraudster, to show these payments were sent as part of a scam, and we also haven't seen anything to confirm the money was lost once withdrawn in cryptocurrency. So I couldn't direct a refund in this case on the basis of what I've seen. But even if this was a scam, it doesn't make a difference to the outcome – as I don't think Revolut could have prevented the loss here (and I'll elaborate on why).

Mr S has broadly complained about all the activities Revolut undertook in relation to the scam – but our service can't review every aspect of what happened. The withdrawals in cryptocurrency aren't themselves a regulated activity or covered by our jurisdiction, but the parts of the complaint about the handling of e-money and payment services are aspects we can consider. Revolut intervened on 5 and 12 April 2024, and provided some automated warnings in app – but, as that happened during the cryptocurrency withdrawal process, I can't review the fairness of that process, as it concerns an activity that isn't covered under our jurisdiction. It is helpful, though, in determining what might have happened if warnings were provided during the regulated part of the payment journey.

Prior to the disputed transactions, Mr S's Revolut account had been used since 2022 for smaller everyday spending, usually in the low hundreds of pounds at most. There were a few hundred pounds worth of cryptocurrency purchases made the year before, so these exchanges weren't a complete pivot on prior activity. But the amounts involved meant it was a marked change in use. I wouldn't have necessarily expected an intervention prior to the first purchase of cryptocurrency, as I don't think the amount was concerningly high. But had it provided warnings during the regulated part of the payment journey, I expect it would have gone similarly to what happened at withdrawal, and Mr S would have continued with the transaction. I don't think the exchange a few days later on 8 April 2024 was overly concerning in size either, and a pattern of fraud wasn't forming by then to warrant checks.

I do think an intervention was needed on 12 April 2024, and more likely prior to the second exchange (as that would take the total amount converted to over £4,500). Revolut intervened at the withdrawal before that, and I can't assess whether that intervention was proportionate, as it happened during a part of the cryptocurrency process that doesn't fall within our jurisdiction. But I think that interaction is a good indication of what would likely have happened if Mr S had received warnings prior to the final exchange.

It seems he would likely not have volunteered that it was for investment purposes or mentioned the involvement of the broker, who was using screen sharing software to guide him. The likely answers wouldn't have seemed particularly inconsistent with what Revolut knew, and wouldn't have flagged further concerns. Mr S also received warnings tailored to cryptocurrency investment scams, which didn't deter him, and that's what I consider would have been the proportionate intervention when the final exchange was requested. The circumstances weren't risky enough, or sufficiently indicative he was being scammed, to warrant further checks (say, by speaking to an agent). So I don't find that Revolut could likely or reasonably have stopped Mr S from exchanging his funds, and by extension I don't think it could have prevented the loss to the scammers.

I've thought about whether Revolut ought to have done more to try and recover the loss, once alerted to the fraud – and I don't think it could have, given the difficulty that exists in tracing cryptocurrency transactions. I've also not seen any service issues that I believe would warrant compensation. So, overall, and while I'm sorry to disappoint Mr S, I don't consider Revolut can fairly and reasonably be held at fault for the loss.

**My final decision**

My final decision is I don't uphold Mr S's complaint about Revolut Ltd.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr Š to accept or reject my decision before 27 October 2025.

Ryan Miles  
**Ombudsman**