

## The complaint

Mr W complains that Revolut Ltd won't refund money he lost when he was a victim of a crypto investment scam.

## What happened

The background to this complaint is well known to both parties and so I'll only refer to some key events here.

In 2022 Mr W was the victim of a crypto investment scam – having been introduced to the scam firm, F, by a person he knew that was working for them as a “*commission agent*”. F directed Mr W to create a trading account on their mobile app and a crypto wallet with a legitimate crypto provider.

Mr W made the following payments to F's trading platform via the legitimate crypto provider (some of which were processed by a money remittance provider) from his Revolut account:

Transaction Date	Transaction type	Amount
8 March 2022	Debit card	£780
18 May 2022	Fund transfer	£20
20 May 2022	Fund transfer	£181.62
21 May 2022	Fund transfer	£10
21 May 2022	Fund transfer	£65.10
3 June 2022	Fund transfer	£4,235
3 June 2022	Fund transfer	£5
3 June 2022	Fund transfer	£21
	<b>Total</b>	<b>£5,317.72</b>

Mr W received the following credits from the crypto provider into his Revolut account:

Transaction Date	Amount
14 March 2022	£80.19

17 March 2022	£45.54
21 March 2022	£91.01
17 April 2022	£323.28
29 April 2022	£56.92
15 May 2022	£40.59
19 May 2022	£161
20 May 2022	£179.75
2 June 2022	£408.15
26 October 2022	£10.41
<b>Total</b>	<b>£1,396.84</b>

Mr W realised he'd been scammed when, after paying fees to pay taxes to withdraw his money, the funds weren't received.

Mr W informed Revolut of the scam payments in December 2023. Revolut explained to Mr W the following month that they wouldn't be reimbursing him.

Mr W, with the assistance of a professional representative, complained to Revolut in June 2024. He didn't think Revolut did enough to protect him from the scam, arguing that they should've asked him open probing questions about the £4,235 before processing it. Had this happened, the scam would've been exposed. So, he wanted Revolut to refund him the money he'd lost, 8% simple interest and pay him compensation.

Revolut didn't uphold the complaint. They said they provided Mr W with a scam warning when he made the payment to the new beneficiary. In terms of recovery, they'd contacted the receiving bank, but no funds remained. And that a chargeback couldn't be attempted for the debit card payment as the protection period had expired.

The complaint was referred to the Financial Ombudsman. Our Investigator didn't think Revolut had to do anything further. He said the payments wouldn't have been particularly unusual or suspicious to Revolut – noting, except for the £4,235 payment, that they were of a low value and spread out over several months. So, he wouldn't have expected Revolut to have carried out additional checks before processing the payments. Our Investigator also didn't think Revolut could've done anything more to recover Mr W's funds in the circumstances.

Mr W didn't accept the outcome our Investigator reached. In short, he added:

- He opened the Revolut account on F's instructions.
- This was an investment scam, and he's provided the relevant information to show how it happened.

- He's lost more than £13,000 to the scam in total (including losses with another bank) and he doesn't know how, or what else he can do, to get his money back.

Our Investigator acknowledged that Mr W had been the victim of a scam, but he remained of the view that Revolut weren't responsible for his loss.

The matter 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.

I'm sorry Mr W has been the victim of a scam, and I don't underestimate the impact this has had as it is a significant amount of money he has lost. I can therefore understand why Mr W is doing everything he can to recover it. And so, I want to reassure Mr W that I've given this matter very careful consideration. But while I accept Mr W has lost a significant amount of money due to being deceived by F, I must consider whether Revolut is responsible for the loss he has suffered. I know this won't be the outcome Mr W is hoping for, but for similar reasons as our Investigator, I don't think they are. So, I don't think Revolut have acted unfairly by not refunding the payments. I'll explain why.

Before I do, I'd like to say at the outset that if there is a submission I've not addressed; it isn't because I've ignored the point. It's simply because my findings focus on what I consider to be the central issue in this complaint – that being whether Revolut are responsible for Mr W's loss.

In broad terms, the starting position in law is that an electronic money institution (EMI) is expected to process payments that their customer authorises them to make. It isn't disputed that Mr W knowingly made the payments from his Revolut account – albeit under the direction and guidance of the scammer as he believed F to be a legitimate firm. And so, I'm satisfied he authorised them. Therefore, under the Payment Services Regulations 2017 and the terms of his account, Revolut are expected to process Mr W's payments and he is presumed liable for the loss in the first instance.

However, taking into account the regulatory rules and guidance, relevant codes of practice and good industry practice, there are circumstances where it might be appropriate for Revolut to take additional steps or make additional checks before processing a payment to help protect customers from the possibility of financial harm from fraud.

So, the starting point here is whether the instructions given by Mr W to Revolut (either individually or collectively) were unusual enough to have expected additional checks to be carried out before the payments were processed.

When considering this, I've kept in mind that EMIs process high volumes of transactions each day. And that there is a balance for Revolut to find between allowing customers to be able to use their account and questioning transactions to confirm they're legitimate – as it wouldn't be practical for EMIs to carry out additional checks before processing every payment.

The first five payments were of a low value and so, while they were being made to a legitimate crypto provider (which carries a known fraud risk), I wouldn't have expected Revolut to have considered Mr W was at significant risk of financial harm from fraud. The sixth payment however, for £4,235 on 3 June 2022, was of a much greater value than those that preceded it. And so, it arguably presented an increased risk based on its value.

However, by the point it was made, the payee had been established for some time – as Mr W had made several payments to it and received nearly £1,400 in returns.

Further to this, the payments were spread across about three months and not made in rapid succession, which can be a potential indicator of fraud or a scam. It's also common for customers to make occasional transactions of a higher value and, as I've said, there is a balance for Revolut to find between questioning transactions and allowing customers to use their account without unreasonable friction.

Taking all of this into consideration, I don't think Revolut would've had sufficient reason to suspect Mr W wasn't making payments to the crypto provider for anything other than legitimate purposes – as the payment activity didn't have the typical traits of fraud or a scam. It follows that, while there are circumstances where it might be appropriate for Revolut to take additional steps or make additional checks before processing a payment, for the above reasons, I wouldn't have expected that here. And so, I think it was reasonable for Revolut to process the payments upon receiving Mr W's instruction(s).

I've also considered whether, on being alerted to the scam, Revolut could reasonably have done anything to recover Mr W's losses, but I don't think they could. The funds sent to the crypto provider were forwarded on as part of the scam – with the beneficiary bank confirming to Revolut that no available funds remained. And the only possible option for recovery here for the debit card payment would've been for Revolut to have attempted a chargeback against the payee – that being the crypto provider. But even putting aside the time limits for it to be raised, this likely wouldn't have had any reasonable prospect of success either. This is because the payment was for the purchasing of crypto which had been provided to Mr W – so he received the service he paid for.

It follows that, while I have a great deal of sympathy for Mr W as I appreciate he is the innocent victim of a scam, I cannot fairly direct Revolut to refund him. For the above reasons, I think Revolut have acted fairly and so I'm not going to tell them to do anything further.

### **My final decision**

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 17 June 2025.

Daniel O'Dell  
**Ombudsman**