

The complaint

Mr W complains about Revolut Ltd.

He says that Revolut didn't do enough to protect him when he fell victim to a cryptocurrency investment scam and would like it to refund him the money he has lost.

What happened

Mr W came across an advert online for investing in cryptocurrency which was supposedly endorsed by a well-known TV show with a focus on money matters.

He called the number, and spoke with someone about the opportunity, and carried out some due diligence on the company which didn't yield any negative information.

Mr W was provided with documentation about the investment which seemed professional and legitimate, and he was persuaded to invest, but unfortunately, Mr W had fallen victim to a scam.

The scammer told Mr W to open an account with Revolut, from which he was to purchase the cryptocurrency, and to download the remote access software AnyDesk.

He made the following payments to the crypto exchange 'E' as part of the scam.

Payment	Date	Payment type	Status	Amount
1	5 September 2022	Card	Completed	£5,000
2	5 September 2022	Card	Completed	£4,000
3	7 September 2022	Card	Declined	£6,000
4	7 September 2022	Card	Declined	£6,000
5	7 September 2022	Card	Declined	£4,000
6	7 September 2022	Card	Declined	£4,000
7	7 September 2022	Card	Declined	£5,000
8	8 September 2022	Card	Completed	£6,000
9	12 September 2022	Card	Completed	£5,000
10	12 September 2022	Card	Completed	£5250
11	12 September 2022	Card	Completed	£4,515
12	13 September 2022	Card	Completed	£9,998.25
	13 September 2022	Credit	N/A	£256.50
13	12 October 2022	Card	Completed	£5,000
14	13 October 2022	Card	Declined	£5,050
15	13 October 2022	Card	Declined	£5,050
16	13 October 2022	Card	Declined	£5,050
17	14 October 2022	Card	Completed	£5,050
18	28 October 2022	Card	Completed	£5,000
			Total loss	£54,556.76

Once he realised what had happened, Mr W made a complaint to Revolut, but it didn't uphold his complaint. So, he brought it to this Service.

Our Investigator looked into things and thought that Mr W's complaint should be upheld in part. Mr W accepted this, but Revolut did not.

As there was no resolution, 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.

Having done so, I've decided to uphold this complaint in part, for broadly the same reasons as our Investigator.

It isn't in dispute here that Mr W has been the victim of a scam and has lost money as a result. However, even when it is clear that a scam has taken place, and an individual has been tricked out of their money, it doesn't necessarily follow that a business will need to refund the money that has been lost.

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 having been good industry practice at the time, I consider it fair and reasonable in June 2023 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 (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;
- 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.

In this case, I need to decide whether Revolut acted fairly and reasonably in its dealings with Mr W when he authorised payments from his account or whether it could and should have done more before processing them.

I think that the first two payments Mr W made from his account should have triggered a general scam warning from Revolut – but this did not happen. However, I am also aware that Mr W's bank, L, did provide Mr W with general scam warnings when he moved £10,000 from his account with it to Revolut. So, I don't think that a further scam warning would have made any difference here.

However, the next five attempted payments were all declined by Revolut due to suspicious activity – and clearly a pattern was now emerging that showed that Mr W may have been at risk of financial harm. But Revolut didn't do any more than decline the transactions.

Revolut then allowed transactions 8-13 to leave Mr W's account, again without any interaction at all, before declining payments 14-16 because of suspicious activity (but didn't get in touch with Mr W about why), followed by payments 17 and 18 which were allowed to debit the account without any intervention.

I don't think that Revolut did what I would have expected here. By the time of payment 8, I think it should have been apparent to Revolut that Mr W may have been at risk of financial harm – the payments were large, it had already shown it had suspicions something wasn't right (but done nothing about this other than decline transactions), and the payments were clearly going to a crypto exchange, which as Revolut knows carried an elevated risk.

Instead, I think that Revolut should have gone further than it did by simply declining payments 3-7 and directed Mr W to its in-app chat facility to check all was well – and Revolut definitely should have done so before allowing payment 8 to leave Mr W's account. It could then have asked Mr W what the reason for the payments were, what lead him to invest in crypto, and attempted to narrow down the risks. I don't think that Mr W would have lied or withheld any information as he wasn't given any cover story or told to hide things from his bank – so I think he would have answered truthfully about where he found the company and what had transpired. Revolut was well versed in crypto investment scams by this point – and if it was told that the investment was supposedly endorsed by a TV programme, and Mr W was asked to download AnyDesk, would quickly have uncovered that Mr W was very likely falling victim to a scam, and provided him with a warning to this effect, and I don't think that Mr W would have ignored this.

Therefore, I think that Revolut could have prevented Mr W's loss from payment 8 onwards.

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 do understand that Revolut has concerns that the money Mr W sent to the crypto exchange initially originated from his account with L, and that the loss itself was from a crypto wallet. However, I can only look at complaints that have been brought to this Service, and Mr W has only brought a complaint about Revolut. I cannot compel him to bring complaints against any other business.

In any event, Revolut had more information available to it than L, – and knew that the payments were going to crypto, which as I have explained above carries a higher risk, which Revolut was aware of, as it should have been aware of the prevalence of multi-stage fraud.

The only thing left for me to consider is if Mr W should bear some responsibility for what happened – but on this occasion, I do not think that this would be appropriate. Mr W found the advert himself, he wasn't approached at random, and the advert was seemingly endorsed by a respected TV show. The investment was presented to him in a professional and seemingly legitimate way – and used sophisticated communication including signed

receipts for payments, and a legitimate looking platform for which he was told to select his own password.

Revolut was the expert here – and would have been much more familiar with the common tactics used by scammers to entice victims into parting with their money, and so was in a better position to clearly set out these warnings to Mr W. And as I think it missed an opportunity to warn Mr W about what he was doing, I think it fair that it should refund Mr W his loss in full, from payment 8.

Putting things right

Revolut Ltd should refund Mr W 100% of his losses from and including payment 8. From this amount, it can deduct the £256.50 Mr W received back from the scam. On top of this, it should also pay Mr W 8% simple interest from the date of the payment until settlement (less any lawfully deductible tax).

My final decision

I uphold this complaint in part, Revolut Ltd should put things right as set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 6 June 2025.

Claire Pugh
Ombudsman