

The complaint

Mr K is unhappy that Revolut Ltd won't refund payments he made as part of a scam.

What happened

In 2024 Mr K heard about a cryptocurrency investment opportunity through a group on an instant messaging service. He left his details and was contacted by a broker, who showed him a professional looking platform. The broker advised Mr K that he'd need to invest using cryptocurrency. So Mr K transferred funds from his bank account to an account at Revolut he'd held since 2019, and used it to exchange his money into cryptocurrency. He then withdrew the cryptocurrency, eventually sending it onto what he thought was an account in his name on a legitimate trading platform.

Between April and June 2024, Mr K completed 16 exchanges on his Revolut account, and withdrew around £14,500 worth of cryptocurrency to send to the platform. The amounts exchanged ranged from £9 to £2,500 – with usually a gap of days between the transactions. Towards the end around £4,300 was exchanged in a day over four transactions. Mr K was able to withdraw £300 of 'profits' from the platform, but says that was reinvested.

Prior to allowing the withdrawal on 29 May 2024, Revolut warned Mr K the payment was high risk and asked a series of automated questions about the transaction. Mr K selected the payment purpose was to 'transfer to my other account', and this prompted further questions. He told Revolut it was an investment account, he discovered the opportunity through unsolicited contact, and the company was regulated. Warning screens were then shown, and Mr K was told the withdrawal would be held for three hours before being sent.

While the transaction was pending, Revolut reviewed things and decided it needed to speak with Mr K over the phone. During the call Mr K said he was trying cryptocurrency trading through a broker. He added that he'd previously been involved with cryptocurrency but was coming back to it after a break. Mr K said the broker wasn't guiding him and he was doing the trading. He also said the account was under his control and he'd been able to withdraw from the platform. Mr K told Revolut the broker was working for a company, and he was doing all this through an exchange, but then also seemed to say the broker was giving him 'signals' (through what he meant by that wasn't clarified). After providing screenshots showing the destination wallet was in his name, Revolut released the withdrawal.

A few days later, after making the final transaction, Mr K tried to withdraw a large amount from the platform but was told he'd need to pay 25% of the overall balance upfront. He couldn't afford the fee and wasn't allowed access to his funds, so he realised he'd been scammed. A complaint was raised with Revolut a couple of weeks later, through a professional representative – and that letter argued the activity was out of character and so a stronger intervention was needed. Revolut responded to the complaint to say it believed it had provided sufficient scam warnings for the transactions. As Mr K wasn't happy with the response, he referred the 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 warnings – so it had done what

could reasonably be expected in the circumstances. Mr K didn't accept the investigator's opinion, and requested an ombudsman reconsidered the matter. So the complaint was passed to me to decide the fair outcome.

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 K 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 K'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 May 2024 (when the majority of the transactions took place) 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.

I should firstly say that Mr K 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 29 May 2024, and provided some automated warnings in app – but, as that happened during the cryptocurrency withdrawal process, I can't review 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. However, after that solely cryptocurrency based process happened, Revolut spoke to Mr K on the phone about his recent activity overall, including the transactions on the regulated account – meaning I can review that conversation. So, I've assessed whether Revolut treated Mr K fairly when carrying out the activities that fall within our remit.

Prior to each request to exchange funds into cryptocurrency there was usually a corresponding payment into the Revolut account to fund it. Having reviewed the regulated account activity, I wouldn't have expected Revolut to have been concerned about the first six request to purchase cryptocurrency. Though the account hadn't been used in a while prior to them, and the amounts were steadily increasing, those transactions were relatively low in value (the highest was £500) and spaced out time wise. The next four transactions, however, which happen across six days, represented a significant increase in the money being exchanged to cryptocurrency. Individually none of them were of concerningly high value, and they didn't really escalate in amount, but by the request on 29 May 2024, the largest transaction made on the account, Mr K had exchanged £7,000 over a relatively short period of time (and after a period of dormancy).

I've factored in that Revolut didn't have a lot of recent activity to compare this to, in order to determine if it was out of character, and I've also thought about how customers often use EMI accounts (which can be sporadic and for particular purposes). Mr K had also made small cryptocurrency transactions on the account many years prior, so it wasn't an entirely new pivot in his spending. But I still consider that by the request to exchange £2,500 into cryptocurrency there was enough going on that Revolut ought to have intervened to ask a series of automated questions and provided a tailored warning based on the answers. It didn't intervene at that point in the payment journey, but he was asked automated questions and given warnings later on at the withdrawal stage. That process and the warnings shown would have looked similar to what I'd have expected to happen prior to the exchange. So I don't think it would have stopped Mr K from proceeding, as the later intervention did cover off relevant aspects of these types of scams but didn't deter him.

I think it's likely, though, that the automated process would have highlighted similar concerns that meant Revolut wanted to speak to him – as he'd have likely answered similarly, and said things like the contact about the investment was unsolicited. So I think a call would still have happened had the intervention been earlier in the payment journey. I acknowledge the points raised by Mr K's representatives – that once Revolut had the opportunity to speak to him, it was important to outline or describe the red flags that connected his situation to the common hallmarks of this type of fraud. But I think it sufficiently did that.

Revolut clarified that the contact wasn't unsolicited (he'd approached them), and he had previously selected that the company was regulated. I don't consider the mere fact of a broker's involvement indicated it was likely a scam – legitimate cryptocurrency brokers exist. Mr K also told Revolut he had past experience in cryptocurrency and seemed to talk confidently about what he was doing. He confirmed the account was under his control and that he could withdraw, and also said he wasn't being guided by the broker. Those questions, in the context of the prior warnings automated warnings, together highlighted the common features of these scams (to the extent I think it needed to, given the level of risk

apparent). The conversation didn't highlight any significant additional scam concerns, and there weren't any warnings or concerning information up online about the company at the time that could have been uncovered with further research. So I think Revolut was entitled to be reassured by his answers, and allow the transaction.

I accept Revolut *could* have gone further, by (for instance) getting him to try withdrawing everything, or picking up on the mention of getting 'signals' from the broker (though it was quite difficult to make out that's what he said). I know Mr K's representatives feel strongly those were missed opportunities. But, having considered the overall risk that would have reasonably been evident at the time (rather than in hindsight), I don't think Revolut made a mistake by not probing further. I also haven't seen any of Mr K's conversations with the scammers, to know if there were other suspicious elements that could have been uncovered with more questions. So, on balance, I just don't think the circumstances looked concerning enough, or sufficiently indicated Mr K was falling victim to a scam, to warrant a stronger intervention. I also don't think Revolut were on notice it needed to carry out further checks on any of the activity that happened after that. The amounts were generally much lower and not escalating in value. Even though multiple requests to exchange were made on 31 May 2023, those weren't in quick succession (there were hours between them), or forming a concerning pattern either.

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, while I'm sorry to disappoint Mr K, and I acknowledge the difficult position he's in now having sadly had this money stolen, 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 K's complaint about Revolut Ltd.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 23 October 2025.

Ryan Miles
Ombudsman