

The complaint

Mr P complains Revolut Ltd won't refund the money he lost when he fell victim to a scam.

What happened

In late 2023, Mr P saw and responded to an online advert for a cryptocurrency investment with a company I'll refer to as "C". The advert appeared to show the investment being endorsed by a well-known public figure. Unfortunately, C were operating a scam.

C persuaded Mr P to invest with them. They told him to set up an account with Revolut as well as setting up an account with a genuine cryptocurrency exchange, "K". After receiving a small credit from C (via K), he subsequently sent around £100,000 from Revolut (funded from his existing bank account), to K, and then on to the scam.

Mr P was then told he needed to pay fees to withdraw from C's trading platform. He sent almost £20,000 via a different recipient, "T". When he still couldn't withdraw his funds, he realised he had been scammed.

Around April 2024, Mr P complained to Revolut via a professional representative. He said it should have been concerned and intervened when he made the payments – which would have uncovered the scam. When Revolut didn't agree to refund him, he referred the matter to our service.

Our investigator didn't uphold the complaint. They found Revolut had intervened on several occasions, but Mr P's responses hadn't made the scam risk clear – and he'd opted to proceed despite some relevant scam warnings from Revolut.

Mr P has appealed the investigator's outcome. His representative argues Revolut identified the risk but failed to prevent the harm. It says Revolut shouldn't have taken Mr P's answers at face value. For example, Revolut should have questioned Mr P further when he said he was sending funds on from K to his wife's cryptocurrency account. It also said Revolut should have been concerned about the final scam payment to T as an international regulatory warning had been issued about it.

What I've decided – and why

Before setting out my decision, there is a small point I want to clarify around the scope of this complaint.

When setting out the payment list in their view, the investigator said there were two payments of £16,000 on 10 January 2024 – and asked the parties to let him know if they disagreed with the scope (as there had been some confusion about the payments).

While neither party responded to this point, I've found there was only one £16,000 payment on that date. As this hasn't affected my outcome or the key reasons for it, I've proceeded with my decision.

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 it. I'll explain why.

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 by November 2023 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;
- 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 – (as in practice Revolut sometimes does including in relation to card payments);
- 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.

Here, Revolut did recognise that Mr P was at heightened risk of fraud when he made/attempted several payments to the scam. Looking at the action Revolut took, and how Mr P responded, I don't think it's likely any proportionate intervention by Revolut would have prevented his loss. I'll explain why.

Throughout the course of the scam, Revolut warned Mr P on several occasions that it thought he was at heightened risk of falling victim to a scam. He was also warned about features of cryptocurrency scams relevant to the one he fell victim to. Such as how fraudsters create convincing posts/adverts on social media, featuring public figures, to promote the investment.

Mr P was also warned that, if he was asked to send money as a tax or fee to access his funds (which is what Mr P has told us the final payment was for), he was being scammed. Despite these warnings, Mr P made it clear he wanted to proceed – expressing frustration several times when Revolut issued warnings or questioned him about the payments.

While I appreciate this was likely due to coaching by the scammers, Mr P's responses to Revolut's questions didn't make the true nature of the scam risk clear. For example, he repeatedly said he wasn't being guided and was simply buying cryptocurrency for his own use – maintaining he was going to leave the funds with K and wasn't sending them on to another platform. If he had told Revolut he was sending funds on to another (alleged) trading platform, the risk would have been clearer.

Revolut asked Mr P how he'd come to set up his account. Mr P said he found Revolut from searching online, and that no one had endorsed/recommended it. Whereas he's told us it was the scammer who recommended he set up the Revolut account.

At one point, Revolut was concerned enough to block Mr P's account. It asked for further records of his K account (having previously been sent a screenshot). At this point, Mr P said he was sending funds from his K account on to his wife's K account – rather than disclosing he was sending the funds on to (what he believed was) a trading account with C.

I agree with Mr P's representative that Revolut shouldn't always take responses at face value; it's well-established that, in scams like this, it's common for scammers to coach victims into giving "cover stories" if questioned about the payments. However, that doesn't mean a firm should never accept the responses given, particularly where it has probed the consumer and issued relevant warnings – as I think Revolut did here.

For example, the explanation about Mr P paying his wife's cryptocurrency wallet was only given after he was required to provide records of his K account activity. To me, this suggests Mr P was persistent about finding a way to ensure the payments went through. And his responses hampered Revolut's ability to gauge, and warn him of, the true scam risk.

I must consider what it is reasonable to expect from Revolut given its duty to process authorised payment instructions. Here, given the level of questioning Revolut completed and the warnings it issued, and Mr P's repeated assertion he was investing independently, I don't consider it unreasonable that Revolut proceeded to process the payments.

In the appeal, Mr P's representative says there was an international regulatory warning issued against T – meaning Revolut should have known not to process this payment. But it appears the representative misread what the investigator said in their view; the warning was actually issued about C. No such warning had been issued about T.

It looks like T were providing a cryptocurrency exchange; they don't appear to have been party to the scam. As the payments weren't going to C directly, and as Mr P didn't disclose C's involvement when questioned, I don't think Revolut had cause to suspect C were involved. So, I don't think it was remiss for it to allow Mr P to send funds to T.

Revolut attempted to recover the funds when the scam was reported but was unsuccessful. Given the gap between the payments and the scam being reported, and the way in which the funds were sent on from the accounts paid to the scammers, I'm not persuaded Revolut could have recovered this loss.

While Mr P has undoubtedly been the victim of a cruel scam, I can only uphold his complaint if I'm satisfied Revolut's failings made a material difference to what happened. For the reasons given, I'm not persuaded they did.

My final decision

For the reasons given above, 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 P to accept or reject my decision before 9 July 2025.

Rachel Loughlin
Ombudsman