

The complaint

Mr W has complained that Revolut Ltd won't refund money he lost to a scam.

What happened

The details of the complaint are well known to both parties, so I will not repeat them again here. Instead, I will focus on giving the reasons for my decision.

I issued my provisional findings on 15 September 2025 where I said the following:

"I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

I'm very aware that I've summarised this complaint briefly, in less detail than has been provided, and in my own words. No discourtesy is intended by this. Instead, I've focussed on what I think is the heart of the matter here. If there's something I've not mentioned, it isn't because I've ignored it. I haven't. I'm satisfied I don't need to comment on every individual point or argument to be able to reach what I think is the right outcome. Our rules allow me to do this. This simply reflects the informal nature of our service as a free alternative to the courts.

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 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. 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 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.*

Should Revolut have recognised that Mr W's was at risk of financial harm from fraud?

Revolut has argued that as the payments were made soon after the account was opened (15

August 2022), it did not have any transactional data to compare to the fraudulent payments. Therefore, it was unable to identify that the payments were unusual or uncharacteristic. However, I don't agree that this prevents Revolut from appropriately identifying suspicious activity.

Mr W made a payment to the crypto currency provider of £1,500 on the same day he opened the account. He made a second payment of £9,000 (to the same crypto provider) four days later. I'm satisfied it wouldn't be reasonable to have expected Revolut's systems to have been triggered by payment one. I say this because payment one was low in value and in isolation, I don't think it indicates a heightened risk of potential fraud. Mr W made the payment from her Revolut account to a legitimate crypto provider. And while I do acknowledge that by August 2022, cryptocurrency scams were on the rise (and Revolut would have been aware of this), cryptocurrency transactions are made by many individuals to invest in crypto legitimately. Because of this, I wouldn't necessarily have expected Revolut to have carried out additional checks before processing the payments simply because they were going to a crypto merchant. But rather, I would expect them to take steps to protect customers that are proportionate to the identifiable risk. I have to bear in mind that if firms such as Revolut were to be expected to intervene with every payment of a similar size to payment one, it could risk grinding the banking system to a halt.

However, on 19 August 2022 when Mr W transferred £9,000 to the crypto provider (payment two), this was a significant increase compared to payment one. With escalating payments of an increased value being a potential indicator of fraud. The payment was also identifiably going to a cryptocurrency exchange. Additionally, I have considered the reasons Mr W selected for why he wished to open a Revolut account. Cryptocurrency was an option, but Mr W didn't select this option, he chose, stock and transfers. Therefore, in my view, there was enough about the characteristics of this transaction and the activity on Mr W's account that ought to have been concerning such that Revolut should have intervened at that time.

What did Revolut do to warn Mr W?

Revolut has said that it didn't deem the transactions to be out of character for the Mr W's account and behaviour and therefore, it didn't warrant an intervention.

What kind of warning should Revolut have provided?

As I have highlighted above, I disagree. So, I've thought carefully about what a proportionate warning in light of the risk presented would be in these circumstances given when the scam occurred. In doing so, I've taken into account that many payments that look very similar to this one will be entirely genuine. I've given due consideration to Revolut's duty to make payments promptly, as well as what I consider having been good industry practice at the time this payment was made.

Taking that into account, I think Revolut ought, when Mr W attempted to make payment two to have asked Mr W for the purpose of his payment and provided a tailored warning (based on the payment reason provided by Mr W). I say this because there were several concerning factors about this payment, such as escalating in value, to a cryptocurrency provider and contradictory information (regarding account opening purpose) around the account activity. If Revolut had provided a warning of the type described, would that have prevented the losses Mr W suffered from payment two?

I have gone on to consider, If Revolut had issued a warning similar to the one I have outlined above, I am satisfied it would have resonated with Mr W. I say this because, a tailored warning (related to investment/cryptocurrency scams) would have likely mentioned some of the hallmarks of a standard cryptocurrency investment scam such as clicking on an advert

on social media which may have been celebrity endorsed and remote access software. As all these hallmarks were present in Mr W's circumstances, I am satisfied it would have resonated with him, and as such on balance, I am satisfied it is likely it would have prevented Mr W making further payments.

And while I have considered some of the actions of Mr W with other financial institutions and the accuracy of the information he provided, this came later on in the scam payments, when he had already invested a substantial amount, and was concerned he was going to lose his money. At the point I am suggesting Revolut ought to have intervened, Mr W had only made one previous payment, payment one. This is supported by correspondence I have seen between Mr W and the scammer.

Mr W also referred a complaint about S to our service and our investigator contacted the S which funded the payments. Neither bank provided warnings – so there's nothing to suggest Mr W would have moved past an intervention had it been provided.

Overall, I think Mr W's circumstances were consistent with a well-known scam and I think he would have recognised his circumstances in, and engaged with, a warning on Payment two.

Is it fair and reasonable for Revolut to be held responsible for Mr W's loss?

I have taken into account that Mr W remained in control of their money after making the payments from Revolut. It wasn't lost until they took further steps. But Revolut should still have recognised that Mr W was at risk of financial harm from fraud, made further enquiries about payment two and ultimately prevented Mr W's loss from that point. I think Revolut can fairly be held responsible for Mr W's loss in such circumstances.

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, which I have done and will provide further reasoning below.

As I've explained, I have also considered all of the facts of the case, including the role of other financial institutions involved, including S.

Should Mr W bear any responsibility for their losses?

I've considered whether Mr W should share any liability for the loss. In considering this point, I've taken into account what the law says about contributory negligence as well as what's fair and reasonable in the circumstances of this complaint. Overall, I do think it's fair to expect Mr W to share liability equally with Revolut. I'll explain why.

I appreciate Mr W has said he completed research prior to investing. However, this appears to be limited to the website alone. I also acknowledge that Mr W felt assured it was endorsed by a well known celebrity. However, after completing a basic internet search myself, it is apparent, there were several bad review about the company Mr W was investing in. Including, a review on the celebrity's website outlining other people experience with this scam.

I also want to highlight that the scam company wasn't FCA regulated either. I do accept that Mr W may not have been familiar with the FCA website and was relatively inexperienced.

But I have also seen independent websites highlighting it was a potential scam, prior to when Mr W invested. With that in mind, I think it reasonable to conclude that there was evidence readily available to alert Mr W to highlight it was a scam.

There were also red flags early on, especially with the increase in the size of investments and repeated issues with being able to withdraw funds without investing further money and this is supported by Mr W's testimony to our service where he said:

"I started to get panicked and remembered the same thing happening in August and told him to stop".

Although I do accept there may have been elements to the scam which appeared sophisticated, there were sufficient red flags Mr W ought to have picked up on. For the avoidance of doubt, it is not my finding that Mr W knew that he was likely falling victim to a scam and went ahead anyway. But I do think based on some of the information available to him that there was a possibility something wasn't right, or that he might not recover his money. In those circumstances it would not be fair to require Revolut to compensate him for the full amount of her losses.

Compensation

I note that Mr W has said that he wants £250 compensation for the distress and inconvenience caused. Whilst I don't dispute Mr W would have felt distressed and inconvenienced by the scam he fell victim to, I haven't seen any evidence to persuade me that Revolut should pay Mr W compensation as a result.

Putting things right

For the reasons I have explained above, Revolut ought to have recognised that Mr W might have been at risk of financial harm from fraud when he made Payment two, and in those circumstances, it should have intervened as I have outlined above.

So it follows that I think it's reasonable Revolut should pay Mr W:

- *Mr W received a credit from the fraudsters of £247.50. So, his losses from payment two are £34,000 minus £247.50 leaving a loss of £33,752.59. Revolut should pay 50% £33,752.59.*
- *In regards to payment seven, as outlined in our investigator's view, S should pay 33% of £20,000 that was transferred to Mr W's Revolut account and funded payment seven. And Revolut should pay 33% of £20,000. This amounts to an overall deduction from the payments from Mr W's Revolut account of 34%. Considering Mr W's role in what happened, for the reasons I've set out above, I think this is a fair deduction in the circumstances and I also don't see any reason to think that Revolut should pay a higher or lower percentage of the amount both firms should have prevented. So, for payment seven, Revolut should pay Mr W 33% which equates to £6,600.*
- *8% interest on that amount (to reflect the loss of use of this money in the account) from the date the payment was paid to the date of settlement less any tax lawfully deductible. This is to reflect Mr W's loss of use of the funds.*

My provisional decision

My provisional decision is that I uphold this complaint about Revolut Ltd and instruct it to pay Mr W in line with what I have outlined above."

Both Mr W and Revolut accepted my provisional findings.

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.

As both parties accepted my provisional findings, my decision remains the same.

Putting things right

For the reasons I have previously explained, Revolut ought to have recognised that Mr W might have been at risk of financial harm from fraud when he made Payment two, and in those circumstances, it should have intervened as I have outlined above.

So it follows that I think it's reasonable Revolut should pay Mr W:

- Mr W received a credit from the fraudsters of £247.50. So, his losses from payment two are £34,000 minus £247.50 leaving a loss of £33,752.59. Revolut should pay 50% £33,752.59.
- In regards to payment seven, as outlined in our investigator's view, S should pay 33% of £20,000 that was transferred to Mr W's Revolut account and funded payment seven. And Revolut should pay 33% of £20,000. This amounts to an overall deduction from the payments from Mr W's Revolut account of 34%. Considering Mr W's role in what happened, for the reasons I've set out above, I think this is a fair deduction in the circumstances and I also don't see any reason to think that Revolut should pay a higher or lower percentage of the amount both firms should have prevented. So, for payment seven, Revolut should pay Mr W 33% which equates to £6,600.
- 8% interest on that amount (to reflect the loss of use of this money in the account) from the date the payment was paid to the date of settlement less any tax lawfully deductible. This is to reflect Mr W's loss of use of the funds.

My final decision

My final decision is that I uphold this complaint about Revolut Ltd and instruct it to pay Mr W in line with what I have outlined above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 24 October 2025.

Jade Rowe
Ombudsman