

The complaint

Mrs D complains that Revolut Ltd ('Revolut') hasn't refunded the money she lost to a cryptocurrency investment scam.

Mrs D referred her complaint to this service with the help of a professional representative. However, for ease of reading, I've referred only to Mrs D throughout my decision.

What happened

The circumstances of the complaint are well-known to both parties, so I don't intend to set these out in detail here. However, I'll provide a brief summary of what's happened.

In November 2022, Mrs D was cold called about a cryptocurrency investment opportunity. Mrs D said the scammer appeared professional and knowledgeable about cryptocurrency and so Mrs D created an account with the company they represented. Mrs D says that she was then given access to a professional looking trading platform.

To fund her investment, Mrs D transferred funds from an account she held with another banking provider (which I'll refer to as 'S') to her Revolut account, which she was advised to open as part of the scam. She then made the following payments:

- a £5,600 debit card payment to a cryptocurrency exchange, in November 2022;
- a £30,000 debit card payment to a different cryptocurrency exchange, in December 2022; and
- a £15,000 faster payment to a third cryptocurrency exchange in April 2023.

Mrs D realised she'd been scammed when she was unable to withdraw her investment.

In April 2024, Mrs D complained to Revolut that she'd been the victim of a scam and asked for a refund. Revolut declined to refund Mrs D. It said it wasn't responsible for Mrs D's loss because she had authorised the payments; it had provided sufficient warnings when the payments were made; and once it was aware of the scam, it took steps to recover Mrs D's lost funds.

Unhappy with Revolut's response, Mrs D referred her complaint to this service. Our Investigator considered the complaint and recommended it be upheld in part. In summary, they thought Revolut could be held responsible for the second and third scam payments, but that Mrs D also needed to share responsibility for the loss caused by those transactions.

Mrs D accepted our Investigator's opinion, but Revolut didn't agree. Revolut said

- payments to a customer's own account don't meet the definition of an authorised push payment ('APP') scam, and it shouldn't be responsible for a customer's loss where it is only an intermediate link in a chain of transactions;
- the role of other financial businesses (including any interventions or warnings they might have provided) needed to be considered;
- this service should've informed Mrs D that it might be appropriate to make a complaint against another respondent; and
- it has no legal duty to prevent customers falling victim to scams.

As an agreement couldn't be reached, the complaint 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.

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; and
- 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 Mrs D was at risk of financial harm from fraud?

Mrs D opened her Revolut account for the purpose of making the scam payments. So, Revolut had no previous account activity to compare the scam payments to. However, there was some information available to Revolut for it to consider if the payments were suspicious or not.

All three scam payments went to cryptocurrency exchanges. At the time of the payments, firms like Revolut had been aware of the risk of multi-stage scams involving cryptocurrency for some time. Scams involving cryptocurrency had reached record levels in 2022. So, from November 2022 (when the scam payments started), there were some circumstances, when a payment to a cryptocurrency exchange should've caused Revolut to consider the payment as carrying an increased risk of fraud, despite the payment going to the customer's own digital wallet.

The scam payments were for £5,600, £30,000 and £15,000. Mrs D had moved funds into her Revolut account and shortly afterwards sent the funds to cryptocurrency exchanges. Purchasing cryptocurrency wasn't one of the purposes Mrs D had given Revolut for wanting to open the account and so the transactions didn't match the activity Mrs D said she would be using the account for. Mrs D wasn't using the account for any other purpose, aside from moving funds to cryptocurrency exchanges and the values of those payments were substantial. As a result, I think Revolut ought to have been concerned, when Mrs D made those payments, that she was at an increased risk of financial harm.

What did Revolut do to warn Mrs D?

The first two scam payments were made using Mrs D's debit card. The payments required Mrs D to verify them in the Revolut mobile banking app, which confirmed the amount and destination of the payments. However, Revolut didn't provide Mrs D with any warnings about scams.

The final scam payment was a faster payment. When the beneficiary was created, Mrs D was shown a generic warning asking if she knew and trusted the payee. The payment was deemed suspicious and so before processing it, Revolut showed some additional generic warnings about scams and asked Mrs D to confirm the purpose for the payment. Mrs D said she was transferring funds to a "safe account" and so Revolut showed some additional bank impersonation scam warnings, before Mrs D confirmed she wanted to go ahead with the payment.

In the circumstances, I don't think Revolut's responses to the apparent risks were proportionate when any of the scam payments were made. None of the warnings were specific to common scams involving cryptocurrency, despite the payments identifiably going to cryptocurrency exchanges.

What kind of warnings should Revolut have provided?

When the first scam payment was made, I think Revolut ought to have provided Mrs D with a written cryptocurrency investment scam warning, which explained the common features of this type of scam.

When the second and third scam payments were made, I think a proportionate response would've been human intervention, allowing Revolut the opportunity to question Mrs D about the reasons why she was making the payments.

If Revolut had provided warnings of the types described, would that have prevented the losses Mrs D suffered?

The messages Mrs D exchanged with the scammer suggest that, prior to the first scam payment from her Revolut account, she had already made a small investment, which she thought was performing well and had made a profit. However, Mrs D doesn't recall making any payments before the Revolut transactions. To entice Mrs D into investing a large amount, the scammer demonstrated how Mrs D could make a withdrawal from the platform, and it appears she may have received a small amount of cryptocurrency from the scammer, which will have reassured Mrs D in the circumstances.

Mrs D had been given access to a professional looking trading platform after completing checks you'd expect a genuine investment firm to go through. The scammer's correspondence had been professional and convincing, creating a relationship of trust. So, even if Revolut had provided a written cryptocurrency investment warning to Mrs D when she made the payment, I don't think this would've resonated with her at the time, despite her being initially hesitant about making the payment. As a result, I don't think Revolut reasonably could've prevented Mrs D's loss from the first payment, such was Mrs D's belief the investment and scammer were genuine at the time.

When the second scam payment was made, Mrs D had seen her investment growing and she had received some returns from the scammer, which she hadn't requested. There is nothing in the evidence I've seen that suggests she had doubts about the legitimacy of the scammer or that she was being coached at the time she made the payment. As a result, if Revolut had asked Mrs D questions about the payment she was making, I think she would've most likely been honest about what she was doing.

Had proportionate questions been asked, I think it would've come to light that:

- Mrs D was sending funds to her digital wallet to pass on to a cryptocurrency investment;
- she had been introduced to the cryptocurrency investment opportunity via cold-call;
- she was being encouraged to invest larger amounts;
- she was communicating with the scammer via an instant messaging service; and
- the scammer had been given remote access to her device, for the alleged purpose of trading cryptocurrency on her behalf.

These are all hallmarks of a cryptocurrency investment scam and with this information, Revolut would've been able to identify that Mrs D was most likely falling victim to a scam. Had Revolut provided Mrs D with education about the common themes of a cryptocurrency investment scam and pointed out the similarities in what Mrs D was doing, I think this would've resonated with Mrs D at the time and prevented her from going ahead with the payment – and the third scam payment she subsequently made a few months later could've also been prevented.

There were occasions when the scammer attempted to gain access to Mrs D's daughter's computer via remote access software or where additional funds were requested, which Mrs D refused. This demonstrates that Mrs D wasn't so under the scammer's spell that she couldn't have been persuaded not to go ahead with the payment. In the messages she exchanged with the scammer, Mrs D comes across as cautious (despite the large amounts she invested), so, whilst Mrs D believed at the time that the scammer was genuine, I think she could've been persuaded against investing further funds.

Revolut says Mrs D gave inaccurate answers when she made the third scam payment and that this demonstrates she was under the scammer's influence and was likely to have sought advice from the scammer if Revolut had questioned her further. When Mrs D moved the funds from S to Revolut and from Revolut to the third cryptocurrency exchange, she was asked what the purpose of the payments was, she said she was moving money to a "safe account". She says the scammer told her to say this, but this isn't supported by the messages, and it seems unlikely a scammer would direct a victim to select a payment purpose that's synonymous with a different type of scam that could cause the financial firm to become concerned. So, I can't say Mrs D would've most likely given inaccurate answers if she was challenged by Revolut through human intervention.

Is it fair and reasonable for Revolut to be held responsible for Mrs D's loss?

I have taken into account that Mrs D remained in control of her money after making the payments from Revolut. It wasn't lost until she took further steps. But Revolut should still have recognised that Mrs D was at risk of financial harm from fraud, made further enquiries about the second scam payment for £30,000 and ultimately prevented Mrs D's loss from that point onwards. I think Revolut can fairly be held responsible for Mrs D's loss in such circumstances.

While I have considered all of the facts of the case, including the role of other financial institutions involved, Mrs D has chosen not to complain about any other firm and I can't compel her to do so. And, I don't think it would be fair to reduce Mrs D's compensation because she's only complained about one firm, as I consider that Revolut should've prevented the loss.

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 don't 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.

When Mrs D sent funds from S to Revolut, she wasn't provided with any warnings for the first three transactions, as these were made via open banking. When she topped up her Revolut account before the third scam payment, S showed Mrs D some bank impersonation scam warnings, as Mrs D had said she was moving funds to a "safe account", rather than an investment. However, as these warnings weren't specific to cryptocurrency investment scams, I wouldn't have expected these to have resonated with Mrs D at the time. In any event, I think Revolut should've intervened at an earlier time, when the second scam payment was made and if that had happened, it could've prevented the loss from that payment onwards, for the reasons I've explained above.

Could Revolut have done more to recover Mrs D's loss?

The first two scam payments were debit card transactions that went to Mrs D's own digital wallets with cryptocurrency exchanges. As a result, Revolut had the option of raising chargebacks for those payments. However, it seems highly likely that a chargeback would've been defended by the merchants and so I don't think Revolut acted unreasonably by not raising chargebacks which had little chance of success and so it couldn't reasonably have been expected to recover the debit card payments.

Once on notice of the scam, Revolut did attempt to recover Mrs D's funds from the third scam payment, which was a faster payment. However, the beneficiary bank confirmed that no funds remained in the receiving account. As a result, there wasn't anything Revolut reasonably could've done to recover the faster payment.

Should Mrs D bear any responsibility for her losses?

Mrs D was cold called about the investment opportunity, which I think should've given her cause for concern. Despite being interested in investing in cryptocurrency due to a relative's success investing in cryptocurrency, Mrs D didn't seek any advice from someone who was more experienced. She says that she researched the scam platform and found positive reviews, however she's been unable to provide evidence of this and what reviews I've found (which are dated after the first two scam payments) are mostly negative and a warning about it was added to the Financial Conduct Authority's website in January 2023. So, I'm not persuaded Mrs D has done sufficient research into the individual or company they represented to be able to say she shouldn't share some responsibility for her loss.

Mrs D has provided evidence of the returns she thought she was making after the initial payment from her Revolut account. She was led to believe, that very quickly, her investment had almost doubled from £5,600 to over £11,500 and prior to making the second and third scam payments, the investment continued to rapidly grow in value. Based on the apparent rates of return she was seeing, it seems the investment was too good to be true which should've caused some doubt.

I appreciate Mrs D says she was vulnerable at the time of the scam, as in the years leading up to it she'd experienced multiple bereavements and had been supporting her daughter through their own personal issues. I also note that in the messages with the scammer, Mrs D explains multiple times that she was unwell and struggling to perform simple everyday tasks.

However, she's also explained that there were times, during the scam, where she gave inaccurate information to the scammer in an attempt to stop their constant contact and requests for money. So, I can't be sure how unwell Mrs D was at the time, and I think she has demonstrated that she was able to protect herself, despite subsequently falling victim to the scam. So, I'm not persuaded Mrs D's responsibility for her loss should be reduced as a result of her personal circumstances.

I also haven't seen any evidence to suggest Revolut was aware of Mrs D's personal circumstances and, as a result, there weren't any additional measures in place which Revolut failed to adhere to, which could've prevented the scam.

In the circumstances, I think Mrs D has been contributorily negligent and she could've prevented the loss with adequate checks. But Revolut too could've prevented the loss from the second scam payment onwards with proportionate questioning. As a result, I think it's fair for Revolut and Mrs D to share equal responsibility for the second and third scam payments.

Putting things right

To resolve the complaint, Revolut should reimburse 50% of Mrs D's outstanding loss from scam payments two and three, totalling £22,500. I appreciate returns are referred to in the messages between Mrs D and the scammer, but these weren't withdrawn to her accounts with Revolut or S, and Mrs D says these were reinvested in the scam. As a result, I'm not persuaded these returns should be deducted from Mrs D's refund.

Revolut should also pay 8% simple interest per annum on each partially refunded payment, from the date the payment was made, until the date of settlement.

My final decision

For the reasons explained above, my final decision is to uphold this complaint in part.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs D to accept or reject my decision before 31 October 2025.

Liam Davies
Ombudsman