

The complaint

Mrs G is unhappy that Revolut Ltd won't reimburse money she lost to a scam.

What happened

The background to this complaint is well known to both parties, so I won't repeat everything here. In summary, Mrs G has explained that between March and April 2024 she made payments from her Revolut account to buy cryptocurrency which she ultimately lost to an investment scam.

Mrs G saw an advert promoting a cryptocurrency investment with a company I will refer to as "S". She was contacted by someone who worked for S, (who I will refer to as "the scammer").

The scammer, through remote access software, helped Mrs G set up an account with a legitimate cryptocurrency exchange (which I will refer to as "P") and open an account with Revolut.

Mrs G transferred funds from an account she held with another bank, "Bank B" into her Revolut account. She then transferred the funds to P, where they were converted to cryptocurrency before being sent on to the scammers.

Mrs G has told us she felt pressured by the scammer to invest. Mrs G also received calls from Bank B during some of the transfers. She was advised by the scammer not to disclose she was being guided and to highlight that S was regulated by the Financial Conduct Authority (FCA).

When Mrs G attempted a withdrawal she was told she needed to send S further funds which she did. She realised she had been scammed as despite sending more funds she wasn't able to do a withdrawal.

I have included a breakdown of the payments made below:

Payment number	Date	Type of Transaction	Amount
1	22 March 2024	Transfer to cryptocurrency account P	£500
2	26 March 2024	Transfer to cryptocurrency account P	£500
3	15 April 2024	Transfer to cryptocurrency account P	£2,800
4	19 April 2024	Transfer to cryptocurrency account P	£2,200
5	22 April 2024	Transfer to cryptocurrency account P	£5,250
6	23 April 2024	Transfer to cryptocurrency account P	£9,200
7	24 April 2024	Transfer to cryptocurrency account P	£13,000
8	24 April 2024	Declined payment	£7,000

Mrs G raised a complaint with Revolut. It investigated the complaint but didn't uphold it. It provided scam warnings on a number of Mrs G's payments, so it didn't think it had done

anything wrong by allowing the payments to go through. So, Mrs G brought her complaint to our service.

Our Investigator looked into the complaint and upheld it in part. He thought that Revolut should have identified that Payment 6 was concerning and should have questioned Mrs G about it before it debited her account. If Revolut had done this, the Investigator thought that the scam would have come to light and Mrs G's further losses would have been prevented. Our Investigator however thought Mrs G ought to take some responsibility for her loss too. He thought Mrs G had doubts about the scammer and there were a number of red flags which should have made her realise that something was wrong. The Investigator thought that a fair deduction to the amount reimbursed would be 50%.

Mrs G accepted the refund recommended by our Investigator. Revolut didn't respond despite several chasers so Mrs G's complaint has now been passed to me for review and a 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.

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;
- 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;
- 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 G was at risk of financial harm from fraud?

I'm conscious that Payment 1 and 2 to P were modest so I can't see any reason for Revolut to have been particularly concerned about them. Payments of this size are unlikely to have appeared unusual to Revolut. So, I don't think these payments would have indicated that Mrs G might be at risk of financial harm from fraud, and I think the new payee warning it presented on Payment 1 was proportionate in the circumstances of this payment.

Revolut identified that Payment 3 could be a high risk payment and provided Mrs G with advice and warnings to try and protect her from being scammed. It asked her a series of questions through an automated warning in an attempt to narrow down a possible scam risk. Revolut stated that she should answer truthfully and that if she was being scammed the fraudster may ask her to hide the real reason for the transaction. I have included some of the questions Revolut asked Mrs G at the time including the answered she provided:

- "Is anyone prompting or guiding you? Is someone telling you how to send this payment, which buttons to tap, giving instructions over the phone, or telling you this is urgent, etc.?" – Mrs G advised she wasn't being guided.
- "Have you been asked to install software? Scammers might ask you to install software (e.g. Any desk) to view your screen, spy on your personal details and help you to set up your investment account." – Mrs G advised she hadn't installed any software.
- "Have you ever invested in crypto?" – Mrs G answered she had.
- "Have you researched the company?" – Mrs G advised she had checked S was on the FCA register.
- "Is the transfer to an account you control?" – Mrs G answered it was in her control.

Following Mrs G's responses Revolut then provided a number of warnings tailored to the answers Mrs G provided which gave the option for her to cancel the transfer. This included highlighting this could be a crypto scam, beware of social media promotions, don't give anyone remote access, do your crypto research and don't be rushed. In the circumstances I think the actions Revolut took were proportionate to the risk identified on this payment.

I don't think Revolut needed to take any action on Payment 4 or 5. When considering this, I've kept in mind that EMLs process high volumes of transactions each day. And that there is a balance for Revolut to find between allowing customers to be able to use their accounts and questioning transactions to confirm they're legitimate. So I wouldn't expect Revolut to stop every payment. I also think that if Mrs G was shown another automated written warning, like she was on Payment 3, then she would probably have answered in a similar way.

However, like the investigator I agree that Revolut should have done more to query Payment 6. This was significantly higher than the previous payment and, in my view, the payment was a clear escalation in value and had the potential to cause significant financial harm to Mrs G. Taken together with the earlier payments, and the known risk associated with cryptocurrency payments, I consider Revolut ought reasonably to have identified that a pattern had developed that could indicate Mrs G was at risk of financial harm from fraud.

If Revolut had discussed Payment 6 with Mrs G, would that have prevented the loss she suffered from that payment?

Given the risks with this payment I think it would have been proportionate for Revolut to discuss it through its in app chat, rather than through automated warnings. I can see that it did this on Payment 7, followed by a call which resulted in the payment being stopped. Mrs G had concerns about the investment. When probed further in this call it resulted in her querying if a third party bank would reach out to someone about withdrawing cryptocurrency and ask for verification to help it do this. We know now that Mrs G was being asked to transfer significant funds to P to be able to withdraw her money. So, on balance, I think if Revolut had contacted Mrs G about Payment 6 and probed in a similar way it's likely she would have highlighted that she had this concern. Given Revolut's knowledge of scams such as this and how common this scenario is, I would have expected it to query why Mrs G was being asked to transfer funds before being able to withdraw her investment. It should have recognised that a firm would never tell a customer to transfer significant sums before receiving profits and that this was a strong indicator of fraud.

I appreciate that there was some level of coaching from the scammers and that Mrs G hadn't been honest in all her responses. But it's clear that Mrs G was starting to have concerns about the investment, most likely from the warnings she was being provided and was started to share those concerns. The answers she shared in the calls demonstrate she wasn't entirely sure why she was being asked to send over the funds. And as Revolut already knew this was a new account and that she had found the investment through social media it should have been concerned. I'm satisfied that if Revolut had queried why Mrs G was sending increasing amounts of money in such a short period, from an account she had recently opened, then the scam would have been uncovered from Payment 6.

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

I have taken into account that Mrs G 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 G was at risk of financial harm from fraud, made further enquiries about Payment 6 and ultimately prevented Mrs G's loss from that point. I think Revolut can fairly be held responsible for Mrs G'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 G has chosen not to complain about or pursue a complaint further about any other firm and I cannot compel her to do so. And, I do not think it would be fair to reduce Mrs G's compensation because she's only complained about one firm, as I consider that Revolut should have prevented the loss.

Should Mrs G bear any responsibility for her losses?

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.

I recognise that, as a layperson, there were aspects to the scam that would have appeared convincing. Mrs G was given access to a platform (which, I understand, would have used genuine, albeit manipulated, software to demonstrate the apparent success of trades). I know that fraudsters used the apparent success of early trades to encourage increasingly large deposits and that they built a rapport with her during phone calls. So, I've taken all of that into account when deciding whether it would be fair for the reimbursement due to Mrs G to be reduced. I think it should be.

It's clear that Mrs G had significant concerns with the scammer from the start of this investment. She was feeling pressured to invest and this continued throughout the investment. The messages from the scammer also confirm she was being asked to invest increasing amounts, despite Mrs G not having the funds to do so. There were also a number of unprofessional messages within the chat which you wouldn't expect from a genuine company and should have put Mrs G on notice that the company may not be legitimate.

The scammer also refused to send information to Mrs G by email despite her requesting he did. She was also asked by the scammer to lie to any firms in order to get the payments through – again these are things you wouldn't expect from a reputable firm.

The profits described by the scammer should have also highlighted the returns were too good to be true and raised concerns about the legitimacy of the investment. Mrs G was also being asked to send across significant sums in order to withdraw her profits which is not something you would usually expect in an investment scenario.

For the avoidance of doubt, it is not my finding that Mrs G knew that she was likely falling victim to a scam and went ahead anyway. Rather my finding is that she seems – to some extent – to have had concerns about making further payments. In those circumstances it would not be fair to require Revolut to compensate her for the full amount of her losses.

I understand that Mrs G was experiencing some difficult circumstances at the time she fell victim to the scam. I'm sorry to learn about this. But from what she's said, I think there were enough concerns with the investment which Mrs G should have taken into account before sending her funds.

Taking all of the above into account I think that Revolut can fairly reduce the amount it pays to Ms M because of her role in what happened. Weighing the fault that I've found on both sides, I think a fair deduction is 50%.

Could Revolut have done anything else to recover Mrs G's money?

There are industry standards around attempting recovery of funds where a scam is reported. Revolut did attempt recovery of the funds. However, the scam payments were sent from Revolut to a cryptocurrency account in Mrs G's name. From where she then would have moved the funds onto the scammers. So, I don't think there was any realistic prospect of Revolut recovering the funds.

Interest

Mrs G has been deprived of the use of her funds on Payment 6 and 7. So, Revolut should pay 8% simple interest yearly to the 50% refund on these transactions (calculated from the date of the transactions until the date of settlement). She may have used these funds in a variety of different ways if they had remained available to her. I think 8% simple is a fair interest rate in these circumstances.

My final decision

For the reasons given above, I uphold in part this complaint and require Revolut Ltd to pay Mrs G:

- 50% of payments 6 and 7 – a total of £11,100.
- 8% simple interest per year on that amount from the date of each payment to the date of settlement (less any tax lawfully deductible).

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs G to accept or reject my decision before 3 October 2025.

Aleya Khanom
Ombudsman