

The complaint

Mr K complains that Revolut Ltd hasn't refunded him money he lost to a cryptocurrency investment scam.

What happened

In late 2023, Mr K met someone through online dating. Not long after they began speaking, she introduced him to a cryptocurrency investment platform she was using and explained that she'd made a great deal of money from this. Mr K set up an account with the platform as well as with a genuine cryptocurrency provider. And he then went on to also set up a Revolut account.

In 2024, Mr K realised he'd been the victim of a scam. He reported this to Revolut, but it didn't agree to refund him any of his losses. He raised a complaint, but it didn't change its outcome, so he came to our Service.

Our Investigator also didn't uphold Mr K's complaint. She didn't think Revolut would've been able to prevent the losses to this scam from this account. Mr K disagreed and asked for an Ombudsman to reconsider his case.

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 consumer was at risk of financial harm from fraud?

Revolut paused the first transfer Mr K attempted as part of this scam. So Revolut did consider his account was at risk. It asked Mr K questions about the payment he was attempting and based on his answers it provided him with a better-automated warning.

Mr K misled Revolut about what he was doing, so the warning wasn't relevant to his situation. I don't consider Revolut needed to question Mr K further than it did or that his answers indicated he may be falling victim to a scam. I don't agree that it ought to have realised he wasn't being honest with it. It did recognise a risk of harm and acted to mitigate this, but it was prevented from meaningfully intervening by Mr K's dishonest response – it did warn him about scams relating to the situation he described. And I also note that a more detailed intervention from other firm simply led to Mr K embellishing the story he gave to Revolut further, not the scam unravelling.

I don't consider the next set of payments on 8 January 2024 warranted any intervention, although Revolut did intervene again. They were very low value and not going to a payee knowingly associated with high-risk activities.

However, on 16 January 2024, Mr K then exchanged £4,100 to cryptocurrency within his Revolut account. He then withdrew these funds for the scam. While cryptocurrency withdrawals themselves are not a regulated activity (so not in our jurisdiction), the process of sending them involved earlier steps which are, such as Revolut accepting funds into Mr K's account and exchanging these funds. And it is at this time I think that it needed to intervene again and ask Mr K questions about this exchange.

I accept, as I have already set out above, Mr K was not honest with Revolut when questioned about his earlier payments. But for this exchange, it was already aware that Mr K was using his funds to purchase cryptocurrency – so it didn't need to establish this. It needed to ask questions to find out why he was exchanging the funds and provide him with a warning tailored to the answers he gave.

If Revolut had provided a warning in this way, would that have prevented the losses consumer suffered from the £4,100 exchange?

It's very difficult to know what would have happened next, as Revolut didn't intervene in this way on the exchange. And we know Mr K had also been misleading a number of parties about what he was doing by this time. Shortly before this exchange, he had attempted to make another payment through Revolut which it had stopped, and he had opted not to respond to it in the chat and had looked to make the payment via this cryptocurrency exchange instead.

I accept it's possible Mr K may have disclosed that he was investing, if asked, as while he had been told to not disclose he was involved in cryptocurrency, this had already been established on this transaction. And I have seen he did disclose to other firms he was investing, albeit only when making lower-value payments to this scam. However, based on his responses to date, I also accept it's possible he would've looked to mislead Revolut again to try and avoid questioning or revealing what he was truly doing.

Weighing up Mr K's actions across all the cases I have seen – how he gave incorrect answers; invented his own detailed story for the payments; and stopped engaging when questioned, I'm not persuaded Revolut could've prevented his losses here.

Had Mr K been given a cryptocurrency investment warning, I'm not persuaded he would've read it, truly considered its content and applied it to his own situation – so he stopped making this exchange. He was months into the investment scam at this time and had formed a romantic relationship with his scammer. It's clear from his actions that he trusted her and was willing to follow her instructions. She had convinced him she was successfully investing in this venture and that firms would be obstructive with cryptocurrency payments. And as above, rather than honestly engage with Revolut when it had concerns, he'd opted (in multiple ways) to try and circumvent this process.

And had Mr K not selected an option that led to a cryptocurrency investment warning, then what he saw wouldn't have been relevant to him – so wouldn't have prevented him going ahead either. I also accept he may have found the process too obstructive or not engaged with it, as he had done in the past, so Revolut then shouldn't have agreed to process the exchange. But then I agree with our Investigator that he would've looked (again) for other ways to get this money to what he believed was his cryptocurrency investment account and so this wouldn't have ultimately changed his loss here either.

I accept Mr K has been the victim of a cruel scam and has lost out due to this. I can only ask Revolut to reimburse him if I find that any wrongdoing on its part caused his loss. I'm not persuaded better questioning or further warnings would have resulted in Mr K acting any differently given the relationship and coaching taking place. And I'm not persuaded there were any prospects of Revolut successfully recovering the funds, given the money was used to purchase cryptocurrency from legitimate providers.

My final decision

For the reasons set out above, I don't uphold Mr K's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 18 September 2025.

Amy Osborne
Ombudsman