

The complaint

Mr E is complaining that Revolut Ltd (Revolut) hasn't agreed to reimburse him for funds he lost to a scam.

Mr E has brought his complaint through a professional representative. But for ease I'll mainly refer to Mr E in my provisional decision.

What happened

The background to the complaint is well known to both parties so I won't repeat it in detail here.

In short, Mr E fell victim to an investment scam when he replied to an advert he saw on the internet. The scammer contacted him, initially by phone and then through text message, and Mr E was persuaded to begin investing. The scammer remotely accessed Mr E's device to help him set up an account on the apparent investment platform.

Mr E made three payments to the scam from his Revolut account in December 2022. After he made his first payment, he received a return of £433.06 which encouraged him to make further payments. To make the payments to the scam, Mr E transferred funds to Revolut from his account with another business. The scam payments were partly made from a loan which he took out specifically to fund the scam.

The payments Mr E made to the scam were as follows:

Payment number	Payment date	Payment type	Payee	Payment amount
1	6 December 2022	Card payment	Cryptocurrency exchange	£450
2	14 December 2022	Card payment	Cryptocurrency exchange	£15,000
3	14 December 2022	Card payment	Cryptocurrency exchange	£5,000

Mr E realised he'd been scammed on the same day he made payments 2 and 3. He contacted Revolut through its live chat facility to report the scam. Revolut explained that it couldn't recover Mr E's funds.

In January 2023 Mr E complained to Revolut about what had happened, through his representative. He said that Revolut should have done more to prevent him from making payments to the scam. He was unhappy with Revolut's response to his complaint, so he brought it to us.

Our investigator looked into Mr E's complaint. He thought that Revolut should have done more to prevent Mr E from making payments to the scam at the time he made the payment of £15,000 on 14 December 2022. He didn't think Mr E should share responsibility for his

loss with Revolut because he didn't think he'd acted negligently in making the payments. He asked Revolut to refund the payment of £15,000 and the following payment of £5,000 to Mr E (minus the return of £433.06.)

Mr E accepted the investigator's view. But Revolut didn't agree with the outcome reached by the investigator. It said, in summary:

- It has no legal duty to prevent fraud and it must comply strictly and promptly with valid payment instructions. It does not need to concern itself with the wisdom of those instructions. This was confirmed in the recent Supreme Court judgement in the case of *Philipp v Barclays Bank UK plc [2023] UKSC 25*.
- There are no legal obligations, regulatory obligations, industry guidance, standards or codes of practice that apply to Revolut that oblige it to refund victims of authorised push payment ("APP") fraud. By suggesting that it does need to reimburse customers, it says our service is erring in law.
- It would not be required to reimburse 'self-to-self' transactions even if it were a signatory to the Lending Standards Board's Contingent Reimbursement Model Code ("CRM Code"). Our service appears to be treating Revolut as if it were a signatory to the CRM Code.
- The Payment Service Regulator's ("PSR") mandatory reimbursement scheme will not require it to refund payments made in these circumstances either.
- 'Self-to-self' payments don't meet either the Dispute Resolution Rules ("DISP Rules") or CRM Code definition of an APP scam.
- Mr E was grossly negligent by not completing due diligence on the investment before making the payments. The PSR's mandatory reimbursement scheme will allow it to decline claims where a consumer has been grossly negligent, taking into account any warnings a firm has provided.
- The investigator's conclusions that warnings should be given by telephone has no basis in law or regulation and ignored Revolut's business model.
- Mr E's loss did not take place from his Revolut account and he owned and controlled the beneficiary account to which the payments were sent. It's unfair and irrational to hold Revolut responsible for any of the loss where it is only an intermediate link in a chain of transactions. Other firms will have a better understanding of the destination of the funds and/or Mr E's finances and account activity.

Mr E's complaint was passed to me for review and a decision.

My provisional decision.

I issued a provisional decision on 13 February 2025. This is what I said.

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.

And, as the Supreme Court has recently reiterated in *Philipp v Barclays Bank UK PLC*, subject to some limited exceptions banks have a contractual duty to make payments in compliance with the customer's instructions.

In that case, the Supreme Court considered the nature and extent of the contractual duties owed by banks to their customers when making payments. Among other things, it said, in summary:

- The starting position is that it is an implied term of any current account contract that, where a customer has authorised and instructed a bank to make a payment, it must carry out the instruction promptly. It is not for the bank to concern itself with the wisdom or risk of its customer's payment decisions.
- At paragraph 114 of the judgment the court noted that express terms of the current account contract may modify or alter that position. In *Philipp*, the contract permitted Barclays not to follow its consumer's instructions where it reasonably believed the payment instruction was the result of APP fraud; but the court said having the right to decline to carry out an instruction was not the same as being under a legal duty to do so.

In this case, the terms of Revolut's contract with Mr E modified the starting position described in *Philipp*, by – among other things – expressly requiring Revolut to refuse or delay a payment *"if legal or regulatory requirements prevent us from making the payment or mean that we need to carry out further checks"* (section 20).

So Revolut was required by the terms of its contract to refuse payments in certain circumstances, including to comply with regulatory requirements such as the Financial Conduct Authority's Principle for Businesses 6, which required financial services firms to pay due regard to the interests of their customers and treat them fairly. I am satisfied that paying due regard to the interests of its customers and treating them fairly meant Revolut should have been on the look-out for the possibility of fraud and refused card payments in some circumstances to carry out further checks.

Whilst the relevant regulations and law (including the law of contract) are both things I must take into account in deciding this complaint, I'm also obliged to take into account regulator's guidance and standards, relevant codes of practice and, where appropriate, what I consider to have been good industry practice at the relevant time: see DISP 3.6.4R. So, in addition to taking into account the legal position created by Revolut's standard contractual terms, I also must have regard to these other matters in reaching my decision.

Looking at what is fair and reasonable on the basis set out at DISP 3.6.4R, I consider that Revolut should in December 2022 have been on the look-out for the possibility of fraud and have taken additional steps, or made additional checks, before processing payments in some circumstances.

In reaching the view that Revolut should have been on the look-out for the possibility of fraud and have taken additional steps, or made additional checks, before processing payments in some circumstances, I am mindful that in practice all banks and EMI's like Revolut did in fact seek to take those steps, often by:

- using algorithms to identify transactions presenting an increased risk of fraud;¹
- requiring consumers to provide additional information about the purpose of transactions during the payment authorisation process;
- using the confirmation of payee system for authorised push payments;
- providing increasingly tailored and specific automated warnings, or in some circumstances human intervention, when an increased risk of fraud is identified.

I am also mindful that:

- Electronic Money Institutions like Revolut are required to conduct their business with “due skill, care and diligence” (FCA Principle for Businesses 2), “integrity” (FCA Principle for Businesses 1) and a firm “must take reasonable care to organise and control its affairs responsibly and effectively, with adequate risk management systems” (FCA Principle for Businesses 3)².
- Over the years, the FCA, and its predecessor the FSA, have published a series of publications setting out non-exhaustive examples of good and poor practice found when reviewing measures taken by firms to counter financial crime, including various iterations of the *“Financial crime: a guide for firms”*.
- Regulated firms are required to comply with legal and regulatory anti-money laundering and countering the financing of terrorism requirements. Those requirements include maintaining proportionate and risk-sensitive policies and procedures to identify, assess and manage money laundering risk – for example through customer due-diligence measures and the ongoing monitoring of the business relationship (including through the scrutiny of transactions undertaken throughout the course of the relationship). I do not suggest that Revolut ought to have had concerns about money laundering or financing terrorism here, but I nevertheless consider these requirements to be relevant to the consideration of Revolut’s obligation to monitor its customer’s accounts and scrutinise transactions.
- The October 2017, BSI Code³, which a number of banks and trade associations were involved in the development of, recommended firms look to identify and help prevent transactions – particularly unusual or out of character transactions – that could involve fraud or be the result of a scam. Not all firms signed the BSI Code (and Revolut was not a signatory), but the standards and expectations it referred to represented a fair articulation of what was, in my opinion, already good industry practice in October 2017 particularly around fraud prevention, and it remains a starting point for what I consider to be the minimum standards of good industry practice now (regardless of the fact the BSI was withdrawn in 2022).
- Revolut should also have been aware of the increase in multi-stage fraud, particularly involving cryptocurrency when considering the scams that its customers might become victim to. Multi-stage fraud involves money passing through more than one account

¹ For example, Revolut’s website explains it launched an automated anti-fraud system in August 2018: https://www.revolut.com/news/revolut_unveils_new_fleet_of_machine_learning_technology_that_has_seen_a_fourfold_reduction_in_card_fraud_and_had_offers_from_banks/

² Since 31 July 2023 under the FCA’s new Consumer Duty package of measures, banks and other regulated firms must act to deliver good outcomes for customers (Principle 12), but the circumstances of this complaint pre-date the Consumer Duty and so it does not apply.

³ BSI: PAS 17271: 2017” Protecting customers from financial harm as result of fraud or financial abuse”

under the consumer's control before being sent to a fraudster. Our service has seen a significant increase in this type of fraud over the past few years – particularly where the immediate destination of funds is a cryptocurrency wallet held in the consumer's own name. And, increasingly, we have seen the use of an EMI (like Revolut) as an intermediate step between a high street bank account and cryptocurrency wallet.

- The main card networks, Visa and Mastercard, don't allow for a delay between receipt of a payment instruction and its acceptance: the card issuer has to choose straight away whether to accept or refuse the payment. They also place certain restrictions on their card issuers' right to decline payment instructions. The essential effect of these restrictions is to prevent indiscriminate refusal of whole classes of transaction, such as by location. The network rules did not, however, prevent card issuers from declining particular payment instructions from a customer, based on a perceived risk of fraud that arose from that customer's pattern of usage. So it was open to Revolut to decline card payments where it suspected fraud.

Overall, 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 in December 2022 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 (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;
- 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); and
- 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.

Whilst I am required to take into account the matters set out at DISP 3.6.4R when deciding what is fair and reasonable, I am satisfied that to comply with the regulatory requirements that were in place in December 2022 Revolut should in any event have taken these steps.

Should Revolut have recognised that consumer was at risk of financial harm from fraud?

It isn't in dispute that Mr E has fallen victim to a cruel scam here, nor that he authorised the disputed payments he made to his cryptocurrency wallet (from where his funds were subsequently transferred to the scammer).

Whilst I have set out the circumstances which led Mr E to make the payments using his Revolut account and the process by which that money ultimately fell into the hands of the scammer, I am mindful that Revolut had much less information available to it upon which to discern whether any of the payments presented an increased risk that Mr E might be the victim of a scam.

I'm aware that cryptocurrency exchanges generally stipulate that the card used to purchase cryptocurrency at its exchange must be held in the name of the account holder, as must the account used to send and receive cash payments from the exchange. Revolut would have been aware of this fact. So, it could have reasonably assumed that all of the payments in question were made to an account in Mr E's own name.

I also accept that, as a general starting proposition, a firm might reasonably conclude that payments made between accounts under a customer's control might be expected to carry a lower fraud risk. That might particularly be the case where a payee or recipient is well-known and long-standing. But while a firm may be able to take a certain level of reassurance when its customer is paying an account in their own name, given the prevalence of multi-stage fraud, it cannot reasonably rule out the possibility of a scam simply because the payment is going to the customer's own account.

By the time Mr E fell victim to this scam, firms like Revolut ought to have been aware of the risk of multi-stage scams involving cryptocurrency. I am also mindful that the FCA and Action Fraud published warnings about cryptocurrency scams in mid-2018 and figures published by the latter show that losses suffered to cryptocurrency have continued to increase since. It is also worth noting that one well-documented feature of some cryptocurrency scams is fraudsters having complete or considerable control over cryptocurrency accounts which are (sometimes only nominally) held in a victim's name.

So, Revolut ought fairly and reasonably to have recognised that its customers could still be at risk of fraud when using its services to purchase cryptocurrency, notwithstanding that the payment would often be made to a cryptocurrency wallet in the consumer's own name. In those circumstances, as a matter of what I consider to have been fair and reasonable and good practice, Revolut should have had appropriate systems for making checks and delivering warnings before it processed such payments.

Taking all of the above into account, I don't think the fact that the payments in this case were going to an account held in Mr E's own name should have led Revolut to believe there *wasn't* a risk of fraud.

So I've gone onto consider, taking into account what Revolut knew about the payments, at what point, if any, it ought to have identified that Mr E might be at a heightened risk of fraud.

Mr E had held an account with Revolut since May 2022, but it appears it wasn't used until the scam commenced in November 2022. So, Revolut had no transaction history to compare these payments to in order to establish that they were out of character or unusual. I'm bearing this in mind when deciding at what point I think Revolut should have been alerted that there was a risk of financial harm to Mr E. I can't see that Revolut has told us whether Mr E was asked for an account opening reason, or what that was.

That said, I don't think Revolut would have had any particular reason to be concerned about the first payment Mr E made to the scam, based on the limited information it had about him at the time. This is because it wasn't of a value where I'd usually expect Revolut to be concerned that Mr E was at a heightened risk of financial harm.

However, I agree with the investigator that Revolut should have made further enquiries when Mr E made the payment of £15,000 on 14 December 2022. The significant value of this payment on a previously rarely-used account should have alerted Revolut that Mr E was at risk of financial harm. And as I've explained, given what Revolut should have known about multi-stage fraud involving the use of cryptocurrency at that time, I don't think it could have been reassured by the fact the payment was to buy cryptocurrency that would initially have been under Mr E's control.

What kind of warning should Revolut have provided?

Revolut doesn't appear to have provided a warning to Mr E or carried out any intervention at the time he made any of the scam payments set out above.

Revolut has told us that on 28 November 2022 Mr E attempted to make three faster payments of £500, £450 and £150 to the scam through a different cryptocurrency exchange, which were declined. It said that Mr E was provided a warning at the time he attempted these payments, which told him that the transfer was likely to be a scam, that victims lose millions to fraud every year, and that fraudsters could appear professional.

Revolut has pointed out that Mr E ignored the warnings he received on 28 November 2022 and still went on to make the payments using a different method.

However, the scam warning Revolut provided on 28 November 2022 was a generic warning - and while broadly proportionate to the risk presented by the payments Mr E was attempting at that time, it would not have been a proportionate response to the risk the £15,000 payment presented, which was clearly more substantial. While I accept that Revolut has attempted some steps to prevent harm from fraud, the warning it provided on Mr E's previous cryptocurrency payment attempts was too generic to have had the necessary impact in warning Mr E that he may be falling victim to this type of investment scam.

Having thought carefully about the risk the £15,000 payment presented, I think a proportionate response to that risk would be for Revolut to have attempted to establish the circumstances surrounding the payment before allowing it to debit Mr E's account. I think it should have done this by, for example, directing Mr E to its in-app chat to discuss the payment further.

If Revolut had provided a warning of the type described, would that have prevented the losses consumer suffered?

If Revolut had contacted Mr E directly through its in-app chat to find out more about the circumstances of this payment, I think it would have realised he was falling victim to a scam. Revolut would have been familiar with the circumstances and the key features of similar types of investment scams and would have been able to identify a number of these in the circumstances of Mr E's complaint.

And from what I've seen so far, I have no reason to think Mr E wouldn't have been honest about the circumstances of the payment. The chat he was having with the scammer doesn't lead me to believe he had been coached about what to say to Revolut if an in-app chat had taken place.

Mr E appears to have realised he'd been the victim of a scam around five hours after making payment 3, which also leads me to think he may have already had some suspicions all was not as it should be at the time payments 2 and 3 were sent. And when reporting the scam to Revolut Mr E says that he'd done some online research into the investment company and "*everyone is saying it's a scam.*"

I think if Revolut had had a conversation about the circumstances of the payment with Mr E before it left his account it would have, at the least, encouraged him to do some online research *before* going ahead with any more payments and likely would have uncovered the same information, which would have prevented him from making any more payments.

I think it's also relevant to note here that I can't see that Mr E received a specific investment scam warning, either from Revolut or from the other business he held his account with when he made the transfers to Revolut. So, there's no evidence that he bypassed or ignored previous relevant scam warnings, such that would make me think any relevant scam warnings he would have been given by Revolut during an in-app chat wouldn't have resonated with him.

Overall, I think it's more likely than not that a conversation with Revolut would have uncovered the scam and payments 2 and 3 wouldn't have gone ahead.

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

In reaching my decision about what is fair and reasonable, I have taken into account that Mr E's payments were used to buy cryptocurrency which he then transferred to the scam, rather than him making a payment directly from Revolut to the scammers. So, he remained in control of his money after he made the payments from his Revolut account, and it took a further step before the money was lost to the scam.

But as I've set out in some detail above, I think that Revolut still should have recognised that Mr E might have been at risk of financial harm from fraud when he made the payment of £15,000 and in those circumstances it should have declined the payment and made further enquiries. If it had taken those steps, I am satisfied it would have prevented the loss Mr E suffered. The fact that the money used to fund the scam came from elsewhere, and wasn't lost at the point Mr E purchased cryptocurrency with it, does not alter that fact - and I think Revolut can fairly be held responsible for Mr E's loss in such circumstances. I don't think there is any point of law or principle that says that a complaint should only be considered against either the firm that is the origin of the funds or the point of loss.

I've also considered that Mr E has only complained against Revolut. I accept that it's *possible* that other firms might also have missed the opportunity to intervene or failed to act fairly and reasonably in some other way, and consumer could instead, or in addition, have

sought to complain against those firms. But Mr E has not chosen to do that and ultimately, I cannot compel him to. In those circumstances, I can only make an award against Revolut.

I'm also not persuaded it would be fair to reduce Mr E's compensation in circumstances where: the consumer has only complained about one respondent from which they are entitled to recover their losses in full; has not complained against the other firm (and so is unlikely to recover any amounts apportioned to that firm); and where it is appropriate to hold a business such as Revolut responsible (that could have prevented the loss and is responsible for failing to do so). That isn't, to my mind, wrong in law or irrational but reflects the facts of the case and my view of the fair and reasonable position.

Ultimately, I must consider the complaint that has been referred to me (not those which haven't been or couldn't be referred to me) and for the reasons I have set out above, I am satisfied that it would be fair to hold Revolut responsible for Mr E's loss from the second payment he made to the scam (subject to a deduction for Mr E's own contribution which I will consider below).

Recovery of the funds

Revolut told Mr E it wouldn't attempt chargebacks on the scam payments, as there wasn't any prospect of them succeeding. And I think this is reasonable. I say this because it doesn't seem to be in dispute Mr E received the cryptocurrency he bought from the cryptocurrency exchange and then lost it to the scam. So, the cryptocurrency exchange provided the service he paid for and there were no reasonable grounds for a chargeback to be raised against it.

It follows that I don't think Revolut ought to have done any more to try to recover Mr E's payments.

Should Mr E bear any responsibility for his losses?

I've considered whether Mr E should share any liability for the preventable loss under the principle of contributory negligence, because his actions fell short of the standard of care that would be expected of a reasonable person in these circumstances. 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.

Having thought carefully about this, I do think it's fair to expect Mr E to share liability equally with Revolut. I know this is different from the conclusion the investigator reached, and I'm sorry that this will be disappointing for him. I'll explain why.

I recognise that, as Mr E's representative has set out, there were aspects to the scam that would have appeared very convincing. Mr E was introduced to the investment scam through an online advert - and a reasonable person might expect such adverts to be vetted in some way before being published. Those adverts also can be very convincing - often linking to what appears to be a trusted and familiar news source.

I've also taken into account the provision of what appeared to be a legitimate trading platform and, as in Mr E's case, the apparent ability to withdraw funds to encourage increasingly large deposits.

But, I do think that when the scammer began communicating with Mr E over text message, there were some red flags that this may not have been a legitimate investment. Mr E's representative doesn't appear to have supplied the full chat between Mr E and the scammer, but from what I have seen, I can see that the tone of the conversation and the informal way the scammer addressed Mr E was quite personal and not what, I think, someone would reasonably expect from a genuine financial business. It seems the scammer sent a personal

holiday picture to Mr E which would, I think, have struck most people – even an inexperienced investor like Mr E - as rather unusual behaviour for someone working for a legitimate financial business.

Mr E's representative says that he researched the investment company online at the beginning of December 2022, before filling in the enquiry form, and found nothing to concern him. But when reporting the scam Mr E said that he looked up the investment company online after making the payment and it was then that he realised it was a scam because, in his words, "*everyone was saying it was.*" Given the passage of time it's difficult for me to see now what information would have been available online then – but it seems like a relatively short time for information about the investment company being a scam to have become so widely available, when it hadn't been just a few weeks before. So, I do have some doubts about whether Mr E did actually research the company before completing the enquiry form, in the way his representative has described.

That said, I want to be clear that Mr E isn't obliged to carry out due diligence before investing and this in itself, isn't sufficient reason to conclude he acted negligently. But given the red flags I've identified in his text messages with the scammers, I'd have expected him to have become more concerned about this as time went on - which could reasonably have prompted him to do some more research into the investment company before making the scam payments. I'm also taking into account that Mr E was apparently encouraged to take out a loan in order to invest, which I think should have rung some alarm bells with him about whether this was usual or ethical practice for a legitimate financial business. And I must also consider that Mr E would have been aware that there was a greater element of risk involved in sending money from a loan to even a genuine investment, as if the investment had been unsuccessful there was a risk he wouldn't be able to repay it.

I don't doubt Mr E trusted the scammer and was convinced they were genuine, as he's explained. But I do think there were some red flags which should have raised concerns with Mr E before he made the second and third payments to the scam, and I think that by continuing to take out a loan and pay it to the scam, his actions fell short of the standard of care generally expected from a reasonable person.

Taking all this into account, I think it would be fair for Mr E to share liability equally with Revolut.

Putting things right

To calculate fair reimbursement, Revolut should apply the return Mr E received proportionally to the amount sent to the scam, so that Mr E and Revolut share the benefit of the return relative to the amount being reimbursed. I've set out how I think it can fairly calculate the figure to be reimbursed – which I've referred to as **G** - below.

If either party disagrees with how I've calculated this and/or the figures I've used in the calculation, it should let me know by the response deadline.

A = £20,000 (total amount lost to the scam which Revolut could have prevented)

B = £20,450 (total loss to the scam)

C = £433.06 (total credit from return)

D = 2.12% (**C** divided by **B** expressed as a %)

E = £20,000 x 2.12% (**A** x **D**) = **£424**

$$F = £20,000 - £424 (A - E) = £19,576$$

G (the reimbursement figure) = **F** multiplied by 50% reduction for contributory negligence = **£9,788**.

My provisional decision is that I uphold this complaint, in part.

To put things right, Revolut Ltd should reimburse Mr E with **£9,788**, according to the calculation I've set out above.

Revolut Ltd should apply interest to the reimbursement amount at 8% simple per year from the date the scam payments were made to the date of settlement (less any tax lawfully deductible)."

Responses to my provisional decision.

Both parties replied to my provisional decision.

Revolut replied to say it accepted it.

Mr E didn't accept my provisional decision. He felt that it wasn't reasonable that I'd concluded he should share responsibility equally for the loss with Revolut.

His representative said, in summary:

- He was an inexperienced investor and vulnerable to the scam, which was sophisticated and professional.
- Revolut failed to apply warnings or to take appropriate steps to protect Mr E so its liability should be greater than Mr E's.
- The psychological manipulation and coercion tactics from the scammer and the personal and informal communication style, such as sharing holiday pictures, built a false sense of trust and friendship, which played a crucial role in his decision-making and affected his ability to think critically about the situation.
- Mr E didn't receive any warnings from Revolut or any other business.
- Mr E thinks liability should be split differently, and will accept 25% liability, with Revolut being responsible for 75%.

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.

The point still in dispute following my provisional decision concerns whether Mr E should share liability equally with Revolut so I'll concentrate on that point here.

I can understand why Mr E feels so strongly about my provisional decision, and I am really sorry to disappoint him. But after considering everything carefully, I'm still satisfied that it would be fair for him to share liability equally with Revolut.

The principle of contributory negligence is something I must take into account in my decision, and these considerations can be finely balanced – as there's no doubt they are here. But overall, I don't consider that Mr E's representations change my decision.

Mr E's representative has mentioned he was vulnerable to the scam and I can see that it has stated he was extremely vulnerable to the scam in its submissions. But I've not seen anything to show that there was a specific vulnerability involved here at the time the payments were made which would change my decision about Mr E's share of responsibility in this case.

I agree that Revolut should have done more here to prevent the payments, as I've set out in some detail. And I do accept that Mr E was under the spell of the scammer, and I can see how effectively they manipulated him into making the payments. I have also taken into account that Mr E was an inexperienced investor. But even so, I think he should have had some concerns about the professionalism of the conversation with the scammer and the overall circumstances of what he was being asked to do here.

Whilst I appreciate the sharing of holiday pictures did foster the relationship of trust between Mr E and the scammer, I do still think it's reasonable to conclude that this conversation should have raised concerns about whether he was communicating with a genuine investment professional, who was (on the face of it) only interacting with Mr E in a professional capacity.

In my provisional decision I explained that I wasn't fully persuaded Mr E had researched this investment company when it first contacted him, but I thought that this in itself wasn't enough to say Mr E was negligent – and in concluding this, I've taken into account all the circumstances of Mr E's case in particular, and how he was introduced to this scam. I agree with Mr E's representative that initially it was sophisticated and likely would have appeared to be genuine. But I do still think that this changed as the scam progressed, and this should have raised some concerns with Mr E that should have prompted him to carry out more checks.

Overall, I still think there was enough going on here that should have, to some extent, raised concerns with Mr E about making the disputed payments. In those circumstances it would not be fair to require Revolut to compensate him for the full amount of his loss. And I still think it would be fair for responsibility to be equally shared with Revolut.

I have to decide what's fair, and taking everything into account I think it would be fair for Revolut to reimburse Mr E in line with the calculation I've set out above, and to apply interest at 8% simple per year to that refund to compensate him for the loss of use of the funds.

My final decision

My final decision is that I uphold this complaint, in part.

To put things right, Revolut Ltd should reimburse Mr E according to the calculation I've set out in the "*putting things right*" section of my provisional decision.

Revolut Ltd should apply interest to the reimbursement amount at 8% simple per year from the date the scam payments were made to the date of settlement (less any tax lawfully deductible.)

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr E to accept or reject my decision before 7 April 2025.

Helen Sutcliffe
Ombudsman