

The complaint

Mrs O 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 O has explained that between April 2023 and June 2023 she made several payments from her Revolut account to buy cryptocurrency which she ultimately lost to an investment scam.

Payment number	Date	Type of Transaction	Amount
1	27 April 2023	Debit card payment to cryptocurrency account at B	£1,000
2	4 May 2023	Debit card payment to cryptocurrency account at B	£5,000
3	30 May 2023	Debit card payment to cryptocurrency account at B	£4,098
4	1 June 2023	Debit card payment to cryptocurrency account at B	£2,018.10
5	1 June 2023	Debit card payment to cryptocurrency account at B	£2,000
6	2 June 2023	Debit card payment to cryptocurrency account at B	£4,500
7	6 June 2023	Debit card payment to cryptocurrency account at B	£3,500
8	16 June 2023	Debit card payment to cryptocurrency account at B	£3,500
Total			£25,616.10

Mrs O filled in an online enquiry form after seeing an advert on social media promoting a cryptocurrency investment with a company I will refer to as T. She paid a registration fee of \$250 from an external account and following contact with the scammer she opened an account on its platform. She looked through reviews on T across a number of sites and found that they were positive. She was also impressed by its website and platform. Believing it was a legitimate investment she started to invest.

The scammer continued talking to Mrs O and advised her to open an account with Revolut where she continued to send further payments. The payments Mrs O made from Revolut went to a legitimate cryptocurrency firm – "B". From B, Mrs O's funds were converted into cryptocurrency and sent to cryptocurrency wallets controlled by the fraudsters.

Mrs O has stated she felt pressure from the scammer to invest. When Mrs O wanted to withdraw some of her profits she was told she would be liable to pay fees. Mrs O didn't have the funds for this and so the scammer advised she could borrow from friends and family and take out a loan. Mrs O borrowed from a friend and her sister. She also took two loans during the scam with different providers for £5,000 and £7,000. These were paid into accounts she held with other banks. After making her final payment she was asked to send further funds to the scammer at which point she refused. Mrs O was denied access to her account. It was at this point she realised she had been scammed. Mrs O raised a complaint with Revolut in July 2023.

Revolut investigated the complaint but didn't uphold it. It didn't think it had done anything wrong by allowing the payments to go through. So, Mrs O brought her complaint to our service.

One of our Investigators looked into the complaint and upheld it in part. They thought that Revolut should have identified that the second payment was concerning and should have questioned Mrs O 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 O's further losses would have been prevented.

Our Investigator however thought Mrs O ought to take some responsibility for her loss too. She advised there were warnings that T were part of a scam before she made the payments, and that Mrs O should have realised something was wrong when she was asked to make payments before being able to withdraw her funds. The Investigator thought that a fair deduction to the amount reimbursed would be 50%.

Mrs O accepted the refund recommended by our investigator. Revolut didn't agree. It said

- 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.
- 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 Mrs O's finances and account activity.

As no agreement could be reached, the case was passed to me for a decision.

My provisional decision

I issued my provisional decision on 28 February 2025. This is what I said.

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.

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 Mrs O 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”.

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.

In practice Revolut did in some instances refuse or delay payments at the time where it suspected its customer might be at risk of falling victim to a scam.

I must also take into account that the basis on which I am required to decide complaints is broader than the simple application of contractual terms and the regulatory requirements referenced in those contractual terms. I must determine the complaint by reference to what is, in my opinion, fair and reasonable in all the circumstances of the case (DISP 3.6.1R) taking into account the considerations set out at DISP 3.6.4R.

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 April, May and June 2023 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.*

For example, it is my understanding that in April, May and June 2023, Revolut, whereby if it identified a scam risk associated with a card payment through its automated systems, could (and sometimes did) initially decline to make that payment, in order to ask some additional questions (for example through its in-app chat).

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.*

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.

- *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 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, as indeed Revolut does in practice (see above).*

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 April, May and June 2023 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*

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

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 April, May and June 2023, Revolut should in any event have taken these steps.

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

I've considered whether there was anything about the circumstances surrounding the payments that could have put Revolut on notice that it was being made as part of a scam. And I think there was. I'll explain why.

It isn't in dispute that Mrs O has fallen victim to a cruel scam here. Mrs O has also authorised the disputed payments she made to a cryptocurrency wallet (where her funds were subsequently transferred to the scammer).

Whilst I have set out in detail in this decision the circumstances which led Mrs O to make the payments using her Revolut account and the process by which that money ultimately fell into the hands of the fraudster, I am mindful that, at that time, Revolut had much less information available to it upon which to discern whether any of the payments presented an increased risk that Mrs O might be the victim of a scam.

Mrs O's Revolut account was newly opened for the scam, so Revolut had no sense of what typical account activity for her was – in the same way that her other account providers, are likely to have had. All of the activity on her Revolut account was related to the scam. I'm aware that cryptocurrency exchanges like B 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 receive cash payments from the exchange. Revolut would likely have been aware of this fact too. So, it could have reasonably assumed that the payments would be credited to a cryptocurrency wallet held in Mrs O's name.

By April 2023, when these transactions started, firms like Revolut had been aware of the risk of multi-stage scams involving cryptocurrency for some time. Scams involving cryptocurrency have increased over time. 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 scams have continued to increase since. They reached record levels in 2022. During that time, cryptocurrency was typically allowed to be purchased through many high street banks with few restrictions.

By the end of 2022, however, many of the high street banks had taken steps to either limit their customer's ability to purchase cryptocurrency using their bank accounts or increase friction in relation to cryptocurrency related payments, owing to the elevated risk associated with such transactions⁴. And by April, May and June 2023, when these payments took place, further restrictions were in place⁵. I recognise that, as a result of the actions of other payment service providers, many customers who wish to purchase cryptocurrency for legitimate purposes will be more likely to use the services of an EMI, such as Revolut. And

⁴ See for example, Santander's limit of £1,000 per transaction and £3,000 in any 30-day rolling period introduced in November 2022.

NatWest Group, Barclays, Lloyds Banking Group and Santander had all introduced some restrictions on specific cryptocurrency exchanges by August 2021.

⁵ In March 2023, Both Nationwide and HSBC introduced similar restrictions to those introduced by Santander in November 2022.

I'm also mindful that the vast majority of cryptocurrency purchases made using a Revolut account will be legitimate and not related to any kind of fraud (as Revolut has told our service). However, our service has also seen numerous examples of consumers being directed by fraudsters to use Revolut accounts in order to facilitate the movement of the victim's money from their high street bank account to a cryptocurrency provider.

So, taking into account all of the above I am satisfied that by the end of 2022, prior to the payments Mrs O made in April, May and June 2023, Revolut ought fairly and reasonably to have recognised that its customers could be at an increased 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, and in light of the increase in multi-stage fraud, particularly involving cryptocurrency, I don't think that the fact most of the payments in this case were going to an account held in Mrs O'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 Mrs O might be at a heightened risk of fraud.

Should Revolut have identified that Mrs O might be at a heightened risk of fraud?

I'm conscious that Payment 1 to B for £1,000 was relatively modest so I can't see any reason for Revolut to have been particularly concerned about it. A payment of this size is unlikely to have appeared unusual to Revolut. So, I don't think this payment alone would have indicated that Mrs O might be at risk of financial harm from fraud.

I also need to take into account that Revolut needs to strike a balance between protecting customers against fraud and not unduly hindering legitimate transactions, so I don't think Revolut ought to have been so concerned about this payment that it ought to have provided specific warnings to Mrs O at this point.

However, Payment 2 for £5,000 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 O. Taken together with the earlier payment, I consider Revolut ought reasonably to have identified that a pattern had developed that could indicate Mrs O was at risk of financial harm from fraud.

So, when Mrs O attempted to make the payment of £5,000, taking into account what I've said about the increased risk that cryptocurrency transactions presented, I think Revolut ought fairly and reasonably to have recognised the risk had increased and there was a heightened possibility that the transaction was linked to a cryptocurrency scam. In line with the good industry practice that I've set out above, I think Revolut should have provided a specific and impactful warning, before allowing this payment to go ahead.

Revolut haven't given us any information to suggest a warning was provided at the time, so I'm satisfied a warning wasn't shown to Mrs O. To be clear, I do not suggest that Revolut should provide a warning for every payment made to cryptocurrency. Instead, as I've explained, I think it was a combination of the characteristics of this payment (and the one which came before it) that, together with the fact the payment went to a cryptocurrency provider, that ought to have given Revolut sufficient cause for concern that Mrs O could be

at risk of suffering financial harm from fraud when she attempted to make Payment 2. In those circumstances, it should fairly and reasonably have taken additional, proportionate, steps before completing the payment.

What kind of warning should Revolut have provided?

I've thought carefully about what a proportionate warning in light of the risk presented would be in these circumstances. 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 to have been good industry practice at the time this payment was made.

Taking that into account, I think Revolut ought, when Mrs O attempted to make Payment 2, knowing that the payment was going to a cryptocurrency provider, to have provided a warning (whether automated or in some other form) that was specifically about the risk of cryptocurrency scams, given how prevalent they had become by the end of 2022. In doing so, I recognise that it would be difficult for such a warning to cover off every permutation and variation of cryptocurrency scam, without significantly losing impact.

So, at this point in time, I think that such a warning should have addressed the key risks and features of the most common cryptocurrency scams – cryptocurrency investment scams. The warning Revolut ought fairly and reasonably to have provided should have highlighted, in clear and understandable terms, the key features of common cryptocurrency investment scams, for example referring to: an advertisement on social media, promoted by a celebrity or public figure; an 'account manager', 'broker' or 'trader' acting on their behalf; the use of remote access software and a small initial deposit which quickly increases in value.

I recognise that a warning of that kind could not have covered off all scenarios. But I think it would have been a proportionate way for Revolut to minimise the risk of financial harm to Mrs O by covering the key features of scams affecting many customers but not imposing a level of friction disproportionate to the risk the payment presented.

If Revolut had provided a cryptocurrency investment scam warning, would that have prevented the losses Mrs O incurred after and including Payment 2?

I've thought carefully about whether a specific warning covering off the key features of cryptocurrency investment scams would have likely prevented any further loss in this case. And on the balance of probabilities, I think it would have. There were several key hallmarks of common cryptocurrency investment scams present, such as finding the investment through a social media platform, being assisted by a broker and being asked to download remote access software so T could help her open cryptocurrency wallets. She was initially asked to set up the account with a small payment and convinced to invest more after early success on her investment. The scammer described the profits as guaranteed which is typical in these types of scams.

From the messages Mrs O has provided it is clear that early on she is aware with problems with the trading platform and she raised concerns with the scammer. She requested that she close the account before sending Payment 2. This would suggest she already had some doubts which I think indicates that it wouldn't have taken much persuasion to convince her that she was falling victim to a scam prior to making Payment 2. So, if Mrs O had been warned about cryptocurrency scams it is likely that such a warning would have resonated with her at the time.

Mrs O transferred money from three other firms to fund the scam. Our investigator contacted these firms, and no warnings were provided by two of the firms. The third firm did speak to

Mrs O, and I have listened to this call. The firm did not highlight any risks with the payment or why Mrs O could be falling victim to a scam. Mrs O explained she was making a transfer for home improvements. It's not clear why Mrs O said this, but I have thought carefully about whether a warning would still have made a difference and I believe it would have. Revolut were aware the payment was being sent to a cryptocurrency provider, which was information the other firm was not aware of. Its warning would have highlighted the main features of the scam and how she could protect herself from the risk of fraud and given Mrs O concerns I believe that warning would have resonated with her. She could have paused and looked more closely into T before proceeding, as well as making further enquiries into cryptocurrency scams. So, I'm satisfied that a timely warning to Mrs O from Revolut would have very likely caused her to have sufficient doubt to not go ahead with the payments.

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

In reaching my decision about what is fair and reasonable, I have taken into account that Mrs O paid money using her Revolut account to another account in her own name, rather than directly to the fraudster, so she remained in control of her money after she made the payments, and there were further steps before the money was lost to the scammer.

But as I've set out in some detail above, I think that Revolut still should have recognised that Mrs O might have been at risk of financial harm from fraud when she made Payment 2, 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 losses Mrs O suffered. The fact that the money used to fund the scam came from elsewhere and/or wasn't lost at the point it was transferred to Mrs O's own account does not alter that fact and I think Revolut can fairly be held responsible for Mrs O'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 Mrs O 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 Mrs O could instead, or in addition, have sought to complain against those firms. But Mrs O has not chosen to do that and ultimately, I cannot compel them to. In those circumstances, I can only make an award against Revolut.

I'm also not persuaded it would be fair to reduce Mrs O'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 Mrs O's loss from Payment 2 (subject to a deduction for consumer's own contribution which I will consider below).

Should Mrs O bear any responsibility for their 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 O was impressed by the website, she was asked to provide identification

documents and the scammer, who she describes as extremely professional, was knowledgeable and built a rapport with her.

I've also taken into account the provision of the trading 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 O to be reduced. I think it should be.

Mrs O explained she had carried out checks online before investing in T and that all reviews were positive and praised the company for quick withdrawals. Having carried out my own historical internet search however, I found a significant number of negative reviews on a well-known review website that appeared as a top search result. These reviews highlighted the company was fraudulent. And when searching for T using a common search engine, one of the first results highlights a warning on the FCA website about T being part of a scam, so I don't think this information was difficult to find had Mrs O carried out the checks she mentions.

Mrs O should have also been highly concerned with the request to send further payments in order to withdraw her funds. From the messages we have been supplied between the scammer and Mrs O, it is clear that very early on in the scam she was requested to send further payments in order to release her funds. Most of the payments she sent were for this reason. Mrs O should have considered this request to be unusual.

Mrs O also mentions the scammer stopped talking to her for a period of time when she had asked to close her account and withdraw her funds. She's also mentioned being pressured by the scammer and was asked to take out significant lending to fund the scam. And having read through the messages with the scammer she had concerns about not being able to access and withdraw her funds when she wanted to. This is not something you would expect from a professional company and should have put Mrs O on notice that the company may not be genuine.

For the avoidance of doubt, it is not my finding that Mrs O 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.

Taking all of the above into account I think that Revolut can fairly reduce the amount it pays to Mrs O 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 O's money?

I've also thought about whether Revolut could have done more to recover the funds after Mrs O reported the fraud. The payments were made by card to a cryptocurrency provider. Mrs O sent that cryptocurrency to the fraudsters. So, Revolut would not have been able to recover the funds. In addition, I don't consider that a chargeback would have had any prospect of success given there's no dispute that B provided cryptocurrency to Mrs O, which she subsequently sent to the fraudsters.

So, I don't think there was anything more Revolut could've done to recover Mrs O's money in these circumstances.

Interest

For the reasons I've set out, Mrs O should be awarded a refund from Payment 2 onwards with a 50% deduction (totalling £12,308.05). On some of this amount she should be awarded 8% simple interest yearly, which I have detailed below.

Payment 2 was funded by a loan with another firm. I'm satisfied Mrs O is paying this loan back in full, with interest – and so will be incurring a consequential loss (the rate applied) as a result of the mistake, along with being deprived the use of her own funds through repayments. So, I think our usual approach to awarding interest fairly applies, Revolut should add 8% simple interest yearly to the 50% refund on this transaction (calculated from the date of the transaction until the date of settlement).

Payments 3, 4 and 5 were paid for using Mrs O's savings and money she held with other firms. So, as she's been deprived of the use of those funds, Revolut should apply 8% simple interest yearly to the 50% refund on those transactions (calculated from the date of the transactions until the date of settlement).

Payments 6, 7 and 8 were mostly funded by amounts borrowed from Mrs O's sister, her friend and the remaining funds were most likely made up from her own funds and the second loan she took out. Mrs O has repaid her sister and her friend a small proportion of the funds borrowed. This was done across different dates and instalments, but I'm satisfied the amount she has paid back, across the different sources, was approximately the equivalent of payment 6. So, for ease I am applying 8% simple interest yearly to the 50% refund of this transaction (calculated from the date of transaction until the date of settlement). I will not be awarding 8% simple interest on Payment 7 or 8 as the majority of these payments have been borrowed from Mrs O's sister and her friend and haven't been paid back yet. Mrs O hasn't been charged interest by either party and these aren't her own funds which she has been deprived the use of. On the whole, given that most payments have been funded from different sources and repaid across different dates, I believe this is the fairest way to resolve the simple interest calculation in relation to these payments.

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

- *Refund £12,308.05 (50% of payments 2 to 8)*
- *Refund 8% simple interest yearly in line with my comments above (less any tax lawfully deductible).*

I asked both parties to reply to my provisional decision with anything else they wished to add by 14 March 2025.

Mrs O's representative replied to say she accepted my provisional decision. Revolut didn't reply to my provisional 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.

As neither party had anything else to add following my provisional decision, I see no reason to depart from it.

My final decision

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

Mrs O:

- Refund £12,308.05 (50% of payments 2 to 8)
- Refund 8% simple interest yearly in line with my comments above (less any tax lawfully deductible).

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs O to accept or reject my decision before 14 April 2025.

Aleya Khanom
Ombudsman