

The complaint

Mr B complains Revolut Ltd won't reimburse money he lost when he fell victim to a cryptocurrency investment scam.

What happened

As all parties are aware of the full details of the complaint, which are also note in dispute, I will only include a summary here. Mr B paid more than £15,000, via a cryptocurrency exchange, to a scammer's wallet between June and August 2024. Mr B realised he had been scammed after he was unable to withdraw any funds and the scammer stopped responding to him.

Revolut investigated Mr B's scam allegations, but did not compensate him for his losses and has maintained its stance that it is not liable for them. Mr B was unhappy with this as he considered the losses stemmed from Revolut's security failings, so he referred the complaint to our service.

Our Investigator upheld the complaint, finding that from payment four Revolut should have intervened by questioning Mr B further before allowing the payment to be made. However, she believed Mr B's actions contributed to the losses and has recently applied a contributory negligence deduction of 50% to her award. Revolut disagreed with our Investigators initial view and requested a final decision. So, the case has been passed to me to issue a decision.

I'm aware that I've summarised this complaint briefly, in less detail than has been provided, and in my own words. No discourtesy is intended by this. Instead, I've focused on what I think is the heart of the matter here. If there's something I've not mentioned, it isn't because I've ignored it. I'm satisfied I don't need to comment on every individual point or argument to be able to reach what I think is the right outcome. Our rules allow me to do this. This simply reflects the informal nature of our service as a free alternative to the courts.

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.

Having reviewed the submissions of both parties, I agree with the Investigator's conclusions and am partially upholding this complaint for the following reasons:

- I have kept in mind the payments were identifiably being sent to cryptocurrency, so Revolut should have noted this when considering what action to take.
- However, investing in cryptocurrency, albeit risky, is a legal and legitimate investment. Considering the value and frequency of Mr B's initial payments I am not persuaded that Revolut ought to have been concerned. There were no wider red flags that I think should have caused Revolut to be suspicious of these payments and intervene.
- When Mr B made his fourth payment of £3,192.69 I do think Revolut ought to have intervened. This payment was sufficiently higher and so Revolut should have stopped this payment to ascertain more details about it, before allowing it to be made. I have noted that Revolut did intervene that day, first questioning Mr B before allowing any funds to leave his account. However, I am not persuaded this intervention was sufficient and had Revolut done more I think it would have stopped Mr B from losing further funds.
- I say this because in response to one of Revolut's questions Mr B informed it that he was being guided. Considering the payment, which was also of a reasonably high amount, was being sent to a cryptocurrency exchange such a response should have been a red flag to Revolut. It should have then sought further details from Mr B, who I am persuaded would have been honest as to what he was doing. Had Revolut done so, on balance, I think this would then have uncovered the scam and prevented Mr B's losses from this point.
- I've noted that Revolut did continue with further automated warning steps which included, amongst others, informing Mr B he "could be talking to a scammer" and highlighting to him if it sounds too good to be true it probably is. And ultimately recommending he cease all communication. However, I do not think this was sufficient in this case.
- I have also taken into account that Mr B remained in control of his money after making the payments from Revolut. It wasn't lost until he took further steps. But Revolut should still have recognised that Mr B was at risk of financial harm from fraud, made further enquiries about his fourth payment and ultimately prevented his loss from that point. I think Revolut can fairly be held responsible for Mr B's loss in such circumstances.
- While I have considered all of the facts of the case, including the role of other financial institutions involved, Mr B has chosen not to complain about/pursue a complaint further about any other firm and I cannot compel them to do so. And, I do

not think it would be fair to reduce Mr B's compensation because they've only complained about one firm, as I consider that Revolut should have prevented the loss.

- Revolut has addressed an Administrative Court judgment, which was referred to in a decision on a separate complaint. As I have not referred to or relied on that judgment in reaching my conclusion in relation to the losses for which I consider it fair and reasonable to hold Revolut responsible, I do not intend to comment on it. I note that Revolut says that it has not asked me to analyse how damages would be apportioned in a hypothetical civil action but, rather, it is asking me to consider all of the facts of the case before me when considering what is fair and reasonable, including the role of all the other financial institutions involved.
- However, I do think that Mr B's actions contributed to his losses and agree that a deduction of 50% is reasonable. There were multiple red flags that I think Mr B should have taken into account. He was in contact with an unknown investment firm who was predominantly communicating with him via a messenger-app, in a very informal way which included exchanging compliments, personal information and pictures. He appears to have had no real contract with this firm and was being promised guaranteed too good to be true returns. Similarly, the "advisor" was encouraging him to sell his dream car, take a loan and also borrow money from family and friends to pay fees to withdraw his own money. This all should have been concerning to Mr B.
- I'm similarly not persuaded there were any prospects of Revolut being able to do anything further to successfully recover the funds. Mr B paid a legitimate merchant who no doubt provided the service it was expecting to have been tasked with completing. Ultimately, had Mr B not sent the funds from his cryptocurrency wallet to the scammers they would still be within his control.

Putting things right

I am partially upholding Mr B's complaint and Revolut should:

- refund Mr B's losses from, and including, payment four.
- less 50% Mr B's for contributory negligence
- pay interest on this amount calculated at 8% simple per year from the date of loss to the date of settlement (if Revolut deducts tax from this interest, it should provide Mr B with the appropriate tax deduction certificate).

My final decision

My final decision is that I partially uphold this complaint against Revolut Ltd.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 24 October 2025.

Lawrence Keath
Ombudsman