

The complaint

Mr H was/is a customer of Revolut Ltd (“Revolut”).

Mr H’s complaint is about Revolut’s refusal to reimburse him money he says he lost due to a scam.

Mr H was represented by Refundee in this matter.

What happened

On 8 March 2025, I issued a provisional decision not upholding this complaint. I attach a copy of that provisional decision below – both for background information and to (if applicable) supplement my reasons in this final decision. I would invite the parties involved to re-read the provisional decision.

Responses to my provisional decision

Revolut did not respond to my provisional decision. Refundee withdrew from the case, but informed our Service that they had passed my provisional decision to Mr H on 11 March 2025. The investigator chased Mr H for a response on 20 March 2025. However, he has not responded.

What I have 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 responded to my provisional decision, I see no reason to depart from it.

My final decision

For the reasons set out above, I do not uphold this complaint against Revolut Ltd.

Under the rules of the Financial Ombudsman Service, I’m required to ask Mr H to accept or reject my decision before 25 April 2025.

Tony Massiah
Ombudsman

COPY OF PROVISIONAL DECISION DATED 8 MARCH 2025

The complaint

Mr H was/is a customer of Revolut Ltd ("Revolut").

Mr H's complaint is about Revolut's refusal to reimburse him money he says he lost due to a scam.

Mr H is represented by Refundee in this matter. However, where appropriate, I will refer to Mr H solely in this decision for ease of reading.

What happened

The circumstances of this complaint are well known to all parties concerned, so I will not repeat them again here in detail. However, I will provide an overview of events.

In short, Mr H says he has fallen victim to a cryptocurrency related investment scam. Mr H says he was deceived by fraudsters into allowing payments to be made towards what he thought was a legitimate investment firm. The Revolut card payments in question are:

Payment Number	Date	Time	Beneficiary	Amount
1	4 May 2023	11:47	Ramp Swaps	£1,900
2	22 May 2023	11:49	Ramp	£2,000
3	22 May 2023	12:16	Ramp	£2,003
4	14 June 2023	12:44	Ramp Swaps	£1,980
5	14 June 2023	13:10	Ramp Swaps	£4,000
6	14 June 2023	13:29	Simplex-Nevadaex	£2,900
	14 June 2023	10:04	Refund from Ramp Swaps	£4,000
7	30 June 2023	08:38	Paybis Simplex	£4,000
8	30 June 2023	08:50	Paybis Simplex	£700

Mr H disputed the above with Revolut. When it refused to reimburse him, Mr H raised a complaint, which he also referred to our service.

One of our investigators considered the complaint and upheld it in part. The investigator thought that Payment 3 should have prompted Revolut to intervene and provide Mr H with a tailored written warning, which the investigator felt would have resonated with Mr H. Because Revolut failed to do this, the investigator asked Revolut to refund Mr H all payments from Payment 4 onwards, less a 50% reduction for contributory negligence.

I explain in due course why the investigator asked Revolut to refund Mr H all payments from Payment 4 onwards, rather than Payment 3.

Mr H accepted the investigator's findings, but Revolut did not. Consequently, this matter has been passed to me to make a decision.

What I have provisionally 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.

Having done so, I find that the investigator at first instance was wrong to reach the conclusion they did. This is for reasons I set out in this provisional decision.

I would like to say at the outset that I have summarised this complaint in far less detail than the parties involved. I want to stress that no discourtesy is intended by this. If there is a submission I have not addressed, it is not because I have ignored the point. It is simply because my findings focus on what I consider to be the central issues in this complaint.

Regulatory framework

The regulations which apply in this matter are the Payment Services Regulations 2017 ("the PSRs").

Disputed payments

The reason the investigator did not suggest Revolut should refund all payments from Payment 3 onwards, was because there seems to be some confusion around the disputed payments in this matter. The list of payments provided by Mr H's representatives does not appear to tally up with Revolut's. To reconcile this, I have decided to rely on the disputed payments Revolut has set out. In my view, they appear to be the most accurate.

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

It is not in dispute that Mr H authorised the payment transactions in this matter. Generally, consumers are liable for payment transactions they have authorised. However, that is not the end of the story. This is because even if a payment is authorised, there are regulatory requirements and good industry practice which suggest firms – such as Revolut – should be on the look-out for unusual and out of character transactions to protect their customers from financial harm. And, if such payment transactions do arise, firms should intervene before processing them. That said, firms need to strike a balance between intervening in a customer's payment to protect them from financial harm, against the risk of unnecessarily inconveniencing or delaying a customer's legitimate transactions.

I have borne the above in mind when considering the payment transactions in this matter.

Payment 3

I am persuaded, like the investigator, that Payment 3 (set out above) was unusual and out of character. I say this because of the nature of the payment and the value of it taken together with Payment 2 made on the same day.

Given the above aggravating factors, I think there was an identifiable risk. Therefore, Payment 3 should have triggered Revolut's fraud detection systems; prompting it to intervene before releasing the transaction to try to protect Mr H from financial harm. My view

is that a proportionate intervention to the risk identified would have been for Revolut to provide Mr H with a tailored written warning about cryptocurrency investment scams.

Revolut failed to do this.

If Revolut had intervened, would that have made a difference?

As I have taken the view that Payment 3 should have triggered an intervention from Revolut, I must now turn to causation. Put simply, I need to consider whether Revolut's failure to intervene caused Mr H's losses. To do this, I need to reflect on whether such an intervention (like the one I describe above) would have likely made any difference.

The investigator stated that she had not seen any evidence nor had any reason to believe that an intervention from Revolut would not have been effective. That is, a tailored written warning would have resonated with Mr H. I do not agree with this proposition. I find that there is some evidence to suggest that, on the balance of probabilities, Mr H would have frustrated Revolut's attempt to intervene to protect him from financial harm – thus alleviating any concerns Revolut might have had.

I have reached this view for the reasons set out below.

Mr H's view of the scam at the time

In the submissions from Mr H's representatives, it is stated, amongst other things, *"Our client was impressed by the slick, professional website and the ongoing support from the brokers and advisers who introduced themselves via Whatsapp, after our client had registered his interest in the Martin Lewis promotional message."* Further, it is submitted, *"He believe[d] that if he was paying onto legitimate crypto platforms, it must have been a genuine investment opportunity ... the deposits our client made to the crypto exchanges correlated exactly with the deposit amounts he could see on the online platform provided to him by the scammers ... he therefore believed it to be a legitimate investment opportunity"*

Taking the above together, I have no doubt that all the features mentioned played a part in Mr H falling under the fraudsters' spell – thereby deceiving him into thinking he was dealing with a legitimate enterprise. Even Mr H's representatives observe, *"The website included above is still live, and looks very convincing – requiring you to register and log in every time you use the service."*

Telephone call with Santander

By way of telephone call on 4 May 2023, Mr H spoke to Santander about, amongst other things, a £2,000 transfer from his Santander account to his Revolut account; funds which would eventually go towards the scam. I have relied on what happened during this call as an indication as to what Mr H would have likely done had Revolut intervened in Payment 3.

During the call, Mr H said that the purpose of his transfer to his Revolut account was for a holiday. The investigator questioned Mr H's representatives as to why he said this to Santander. Below is the response the investigator received:

"There was no specific coaching done or any cover story provided; the scammer had only suggested that our client avoid saying they were investing in crypto as most banks don't like it."

Below is the relevant part – for the purposes of this complaint – of the call between Mr H and the Santander adviser:

- *You haven't been told to lie to us today?*
- *No, no.*
- *You haven't been told that if you move your money to this account you're going to make a fortune?*
- *<laughs> No, No. Nothing like that.*
- *You've not been told this is an investment of any kind?*
- *No.*
- *You've not been told to lie to us at all then?*
- *No.*

Santander clearly asked Mr H about investments. However, he did not provide a truthful answer. The fraudsters may not have specifically 'coached' Mr H, but the fact they told him to avoid revealing the true nature of his payments – means the fraudsters were effectively asking Mr H to lie, which is something he went along with.

The intention behind Mr H's answers was to ensure Santander would not frustrate his attempt to make his transfer. I have not seen anything to suggest, on balance, that Mr H would not have acted in a similar way had Revolut provided him with a written warning about Payment 3. To my mind, if Mr H had seen such a warning, he would have likely ignored it – thinking the warning was being presented because, as the fraudsters told him, "... *most banks don't like it* [crypto related payments]." It follows that, to my mind, it is likely Mr H would not have heeded such a warning.

Mr H's reservations

The investigator stated in her findings, amongst other things, that Mr H started to have reservations about the investment scam from 22 May 2023 onwards. To come to this view, the investigator relied on a comment Mr H made during a WhatsApp conversation with the fraudsters: "[Just one thing] *I won't be adding more funds to this mess.*" Having considered the entire WhatsApp message chain, I make two observations. First, it is not entirely clear what the context was regarding Mr H's comment. I am unable to confidently conclude this had anything to do with Mr H having reservations about the scam. Secondly, the subsequent messages in the chain do not support the proposition that Mr H had reservations from 22 May 2023 onwards. From what I can ascertain from the WhatsApp messages, Mr H not only continues with payments towards the scam after 22 May – he requests a refund from the fraudsters, which he received on 14 June 2023. I expect this went some way in Mr H being taken in by the fraudsters even further – thereby thinking everything was above board.

In summary

In my judgment, the above are a combination of persuasive factors. When taken as a whole, they suggest that had Mr H intervened in Payment 3 to try to protect him from financial harm (in the way described above): it is likely Mr H would have frustrated this intervention – thus alleviating any concerns Revolut had.

Other payment transactions

Other than Payment 3, I have thought about whether Mr H's other payments in this matter should have triggered Revolut's fraud detection systems prompting it to intervene. Having done so, I think an argument could be made to suggest that some of them should have triggered an intervention like the one I have described above. However, I am not persuaded that such an intervention would have been successful for the same reasons I have set out above regarding Payment 3.

Recovery of funds

Purchasing cryptocurrency/the service of exchanging funds into cryptocurrency is provided by the exchanges (or payment processor to exchange). Therefore, I am not satisfied that there was any reasonable prospect of success had Revolut raised a chargeback – under the relevant scheme – on behalf of Mr H.

Compensation for distress and/or inconvenience

I have considered whether an award for distress and/or inconvenience is warranted in this matter. Having done so, I am not persuaded that it is. I have not found any errors in Revolut's investigation. Any distress and/or inconvenience Mr H has suffered is a result of the fraudster's actions – not Revolut's.

Conclusion

Taking all the above points together, I do not find that Revolut has done anything wrong in the circumstances of this complaint. Therefore, I will not be directing Revolut to do anything further.

My provisional decision

For the reasons set out above, I am currently minded not to uphold this complaint.

Tony Massiah
Ombudsman