

## **The complaint**

Mr W holds/held an account with Revolut Ltd (“Revolut”)

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

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

## **What happened**

On 17 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. CEL Solicitors (“CEL”), on behalf of Mr W, did respond.

CEL’s position, broadly, is that:

- Revolut should have been on higher alert because Mr W’s account was newly opened and intended for cryptocurrency transactions.
- By December 2022, Revolut should have recognised that payments to cryptocurrency carried higher risk.
- Payments 3 and/or 4 should have triggered a tailored in-app human intervention from Revolut.
- General warnings provided when setting up new payees are not sufficient.

## **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.

Regarding the first three bullets above, I take the view that I have dealt with these points sufficiently in my provisional decision. So, I will not address them again here.

Turning to the fourth bullet. In my provisional decision, I acknowledged that the new payee warning concerned was not a tailored warning. However, I also went on to say “... *I have considered Mr W’s response to the general scam warning to assist me in deciding what he would have likely done had he been provided with a written warning like the two described above.*” In other words, I have not suggested that the new payee warning was sufficient in isolation. I simply took into account Mr W’s response to it – along with several other factors I set out in my provisional decision.

In conclusion, I will not be departing from my provisional findings. I find this to be a fair and reasonable outcome in the circumstances of this complaint.

### **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 W to accept or reject my decision before 25 April 2025.

Tony Massiah  
**Ombudsman**

## **COPY OF PROVISIONAL DECISION DATED 17 MARCH 2025**

I have considered the relevant information about this complaint.

The deadline for both parties to provide any further comments or evidence for me to consider is **24 March 2025**. Unless the information changes my mind, my final decision is likely to be the same as below.

If I do not hear from Mr W, or if he tells me he accepts my provisional decision, I may arrange for the complaint to be closed as resolved without a final decision.

### **The complaint**

Mr W holds/held an account with Revolut Ltd ("Revolut")

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

Mr W is represented by CEL Solicitors in this matter. However, where appropriate, I will refer to Mr W 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.

Mr W says he has fallen victim to a cryptocurrency related investment scam. He says he was deceived by fraudsters into making payments towards what he thought was a legitimate investment. The payments in question are:

<b>Payment Number</b>	<b>Date</b>	<b>Beneficiary</b>	<b>Method</b>	<b>Amount</b>	<b>Fees</b>
1	12 December 2022	Crypto.com	Card	£15	-
2	13 December 2022	Cro	Card	£3,296	-
3	15 December 2022	JW	Transfer	£3,241.48	£11.21
4	19 December 2022	JW	Transfer	£6,173.50	£30.87
5	20 December 2022	JW	Transfer	£4,299.61	£21.50
6	20 December 2022	JW	Transfer	£4,377.75	£21.89
7	21 December 2022	JW	Transfer	£8,806.30	£44.03

Mr W disputed the above with Revolut. When Revolut refused to reimburse Mr W, he 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 Revolut should refund Mr W Payments 6 and 7, minus 50% for contributory negligence. Revolut disagreed with this. Mr W agreed to the contributory negligence, but argued that Revolut should refund him from Payment 3 or 4. Because of these responses to the investigator's findings, 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 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").

### **Should Revolut have recognised that Mr W was at risk of financial harm from fraud?**

It is not in dispute that Mr W 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 6**

I am persuaded that Payment 6 (set out above) was unusual and out of character. I take the view that Payment 6 should have triggered Revolut's systems prompting it to intervene by providing Mr W with a warning.

### **What kind of warning should Revolut have provided?**

The investigator thought that Revolut should have carried out a human intervention regarding Payment 6. Having carefully considered this, I take a different view. To my mind, Payment 6 warranted a written warning that broadly covered scam risks. I will explain why.

The primary aggravating factors regarding Payment 6 are:

- Payment 6 was identifiably a cryptocurrency related transaction.
- Payment 5 and 6 were made on the same day and amounted to £8,677.36 collectively.

- By the time of Payment 6, Mr W's payments had increased in value over a few days.

The primary mitigating factors regarding Payment 6 are:

- Mr W's Revolut account was a newly opened account, so there was no activity to measure against.
- The purpose of Payment 6 matched some of the purposes for which Mr W's Revolut account was opened for: 'Overseas transfers', 'Stocks', 'Transfers' and 'Crypto'. Given this, Payment 6 aligned with how I would expect an account opened for crypto transfers to be used.
- When Mr W set up JW as a new payee, he was asked, "*Do you know and trust this payee? ... If you're unsure, don't pay them, as we may not be able to help you get your money back. Remember, fraudsters can impersonate others, and we will never ask you to make a payment.*" Despite this warning, Mr W made payments to JW. Whilst I accept this was not a tailored warning – it would have alleviated any concerns Revolut might have had about payments going to JW.
- Payment 6 was under £10,000 even when taken together with Payment 5.
- The beneficiary account appears to be in Mr W's name.
- Revolut says Payment 6 went to a payment processor for Crypto.com. This cryptocurrency exchange is well-known and legitimate.
- By the time of Payment 6, Mr W's account had made several cryptocurrency related transactions.

I take the view that the mitigating factors surrounding Payment 6 outweigh the aggravating factors. For these reasons, I find that the compelling mitigating factors would have decreased the need for an in-app human intervention – to a need for Revolut to provide Mr W with either an in-app: tailored written warning, or written warning that broadly covered scam risks (bearing in mind Payment 6 was made in 2022). I do not find that there were sufficient aggravating factors regarding Payment 6 which crossed the threshold to warrant an in-app human intervention.

**If Revolut had provided a written warning of the two types described, would that have prevented the losses Mr W suffered from Payment 6?**

As I have taken the view that Payment 6 should have triggered an intervention – like the one described above – by Revolut, I must now turn to causation. Put simply, I need to consider whether Revolut's failure to intervene caused Mr W's losses from Payment 6. To do this, I need to reflect on whether such an intervention would have likely made any difference. Having done so, I am not persuaded that it would have. I take the view that, on the balance of probabilities, Mr W would have frustrated Revolut's attempt to intervene to protect him from financial harm – thereby alleviating any concerns Revolut had.

I have reached this view for the following reasons.

**First point**

Mr W says he was taken in by the fraudsters due to, amongst other things, their professional looking website and content; having had developed a rapport with the fraudsters (speaking to them over the telephone as well as messages); and seeing his trading account balance

increase.

## **Second point**

When Mr W set up JW as a new payee – as well as Crypto.com and Cro – Revolut provided him with a general scam warning (see above). However, Mr W did not heed this. Although this was not a tailored warning, I have considered Mr W's response to the general scam warning to assist me in deciding what he would have likely done had he been provided with a written warning like the two described above.

## **Third point**

It appears that around Payment 6, Mr W was making payments to try to withdraw his funds. I acknowledge that Mr W was starting to develop some concerns at this point. However, I also note that around the same time, Mr W had received emails from the fraudsters pretending to be the legitimate company, Blockchain.com. These emails, in short, asked Mr W to make payments to release his funds. I can see that Mr W spoke to the fraudsters about these emails – not knowing that they had sent them. After receiving the fraudsters' advice, Mr W made the payments requested.

Having thought about this, I find that had Revolut provided a written warning, it is unlikely Mr W would have heeded it. I have not seen anything to suggest that Mr W would not have, for example, spoken to the fraudsters about such a warning – like he did when he thought he was receiving emails from Blockchain.com. This proposition is supported by the nature of the messages between Mr W and the fraudsters after Payment 6. Even at that point, it is clear from the message exchanges, that Mr W still very much trusted the fraudsters and believed everything was still above board. For example, Mr W was speaking to them about what he needed to do to release his funds without any indication that he thought he was being deceived.

## **Fourth point**

Mr W had made several significant payments in relation to the investment scam by the time of Payment 6. By this point, to my mind, Mr W was very much under the fraudsters' spell – particularly given the fact he could see his trading balance increasing. I find it difficult to conclude that any written warning would have, on balance, broken the fraudsters' spell by the time of Payment 6.

## **In summary**

In my judgment, the above points, taken together, suggest that had Revolut intervened in Payment 6 to try to protect Mr W from financial harm (in the way described above): it is likely Mr W would have frustrated this intervention – thereby alleviating any concerns Revolut had.

## **Other payment transactions**

### **Payment 1**

I would not have expected Payment 1 to have triggered Revolut's systems given how low in value the transaction was.

### **Payments 2 to 5 and 7**

I think an argument could be made to suggest that some of these payments should have triggered interventions prompting Revolut to provide Mr W with written warnings – like the

types I have already described. I say this because these payments have similar aggravating and mitigating features like Payment 6. However, I am not persuaded that such written warnings would have likely been successful for the same reasons I have set out above regarding Payment 6.

### **Recovery of Mr W's funds by Revolut**

#### **Transfers (Payments 3 to 7)**

These payments were all made to an account in Mr W's name, which he then transferred out to the fraudsters as cryptocurrency. Therefore, there would not have been any funds for Revolut to recover.

#### **Chargeback (Payments 1 to 2)**

Chargeback is an entirely voluntary scheme, which means firms are under no formal obligation to raise a chargeback claim. The relevant scheme operator can arbitrate on a dispute between a merchant and customer if it cannot be resolved between them. However, such an arbitration is subject to the rules of the relevant scheme – so there are limited grounds on which a chargeback can succeed.

The service of purchasing cryptocurrency/exchanging funds into cryptocurrency – is not covered under the chargeback scheme concerned in this matter. This is because the exchanges in question provided their services as intended. This also applies to any payment processor involved, as they would have carried out their services as intended when transferring funds.

For these reasons, I find that any chargeback claim in this matter had little chance of success under the relevant chargeback scheme. It follows that I would not have expected Revolut to raise one on behalf of Mr W.

### **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 W has suffered is a result of the fraudsters' 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 to not uphold this complaint.

Tony Massiah  
**Ombudsman**