

The complaint

Mr B complains Revolut Ltd (“Revolut”) didn’t do enough to protect him when he fell victim to two scams in quick succession.

What happened

Mr B said he saw an advert for a cryptocurrency investment opportunity on social media, he clicked it and filled in an enquiry form. He received a phone call from someone, who I’ll refer to as the scammer. He said he did some research and found positive reviews online and so decided to invest.

Mr B said he opened an account which required ID checks, reassuring Mr B the investment was legitimate. He said he installed remote access software at the instruction of the scammer and was guided through the platform which he found to be realistic.

Mr B said he made two payments before deciding he wanted to make a withdrawal. At this time, he received a call from someone claiming to be from a bank. He researched the name of the bank and found it wouldn’t call a consumer directly. He was later contacted again and told he needed to pay fees to withdraw funds. At this time, he realised it was a scam.

Soon after Mr B saw another cryptocurrency investment opportunity advertised on the same social media platform as above. Again, he clicked the advert and completed an enquiry form. Mr B said he carried out some research and found positive reviews online. He was contacted by someone who I’ll refer to as the scammer. Mr B disclosed he had recently been the victim of a scam and said the scammer offered reassurances he would be safe.

As before, Mr B said he was told to install remote access software and was shown the platform which he believed looked genuine. ID checks were completed which once again reassured Mr B the opportunity was genuine, and he began to invest.

He said, initially he saw profits and then suddenly his balance was negative, and he was encouraged to invest further which he did. When it came to withdrawing the funds he was asked to pay fees which he did. Mr B said he was told his broker processed the payment to his balance rather than fees and he needed to pay them again. It was at this time he realised he had been scammed for a second time.

Below are the transactions I find to be relevant:

Payment	Date	Type of transaction	Payee	Amount
1	27 December 2022	Card payment	Cryptocurrency provider 1	£850
2	29 December 2022	Card payment	Cryptocurrency provider 1	£1,820
3	15 February 2023	Card payment	Cryptocurrency provider 2	£3,400
4	28 February 2023	Card payment	Cryptocurrency provider 2	£3,400

5	28 March 2023	Card payment	Cryptocurrency provider 2	£750
6	30 March 2023	Card payment	Cryptocurrency provider 2	£890
7	13 April 2023	Card payment	Payee 1	£500.14
				£11,610.14

Unhappy with Revolut's response, Mr B raised the matter with the Financial Ombudsman. One of our Investigators looked into the complaint and upheld it in part. They said Revolut ought to have intervened on payment 3 and if it had they were persuaded it would've uncovered the scam. They held Mr B and Revolut jointly liable for the losses for payment 3 onwards and recommended Revolut refund 50% of those payments with 8% simple interest applied from when the payments were made until the date of settlement.

Mr B accepted the outcome. Revolut didn't agree. In summary, it said:

- As the payments were 'Self-to-self' Revolut isn't the point at which the customer lost their funds to the scam.
- As an Electronic Money Institution rather than a bank its accounts are typically set up to facilitate payments for a specific purpose rather than a main account and so the transactions weren't unexpected or unusual for how its customers use their accounts.
- Mr B hadn't given the sending bank an accurate account of what the payments were for and so it can't be said that Mr B would've been forthcoming with the purpose of the payments if Revolut had intervened.

As an agreement could not be reached, the complaint has been passed to me for a final decision.

My provisional decision

I issued my provisional decision on 19 March 2025. I decided, provisionally, that I wasn't going to uphold Mr B's complaint. 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 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 consumer'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 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 including in relation to card payments);
- 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.

Mr B authorised the payments in question here – so even though he was tricked into doing so and didn't intend for his money to end up in the hands of a scammer, he is presumed liable in the first instance.

I've thought about whether Revolut acted fairly and reasonably in its dealings with Mr B when he made the payments, or whether it should have done more than it did. In doing so I've considered what Revolut knew about the payments at the time it received Mr B's payment instructions.

I don't consider Revolut should have been concerned by payments 1 and 2. While they were going to a cryptocurrency provider 'crypto' is a reason Mr B gave when opening his account with Revolut on 7 December 2022. And they were relatively low in value and made over two days. I therefore don't think these payments suggested Mr B was at risk of financial harm from fraud. So, I can't say Revolut was at fault for processing payments 1 and 2 in accordance with Mr B's instructions.

I'm satisfied that Revolut ought to have recognised that payment 3 carried a heightened risk of financial harm from fraud because it was for a significantly higher amount to a known cryptocurrency provider. So, I believe Revolut ought to have been concerned and made further enquires of its customer before processing this payment.

I think that a proportionate response to that risk would have been for Revolut to show Mr B a written warning about cryptocurrency investment scams, highlighting their typical features. I would have expected a warning of this nature, at the time payment 3 was made, to highlight some key hallmarks of a cryptocurrency investment scam like the use of a "broker", an advert on social media and the use of remote access software. But, had it done so, I'm not persuaded that would have prevented Mr B's loss. I'll explain why.

From Mr B's testimony he told the second scammer he'd recently been the victim of a scam when they initially contacted him. I'm therefore satisfied Mr B was aware he'd been the victim of a cryptocurrency investment scam before he made any payments towards the second scam. As I've outlined in some detail above that scam involved the use of a broker, remote access software and an advert on social media meaning Mr B was already aware of some of the common hallmarks of a cryptocurrency investment scam and the associated risks prior to making payment 3. Because of his recent experience of the way these scams can play out having fallen victim to one in recent weeks, I'm not persuaded that a warning from Revolut, as described, would have given him enough, if any, new information about cryptocurrency investment scams that Mr B wasn't already aware of.

In addition, Mr B transferred funds into his Revolut account from another account he held with a high street bank. He took a loan with the high street bank for £3,500 and I've seen evidence that when he tried to transfer £3,400 of the loan to Revolut the bank held the payment and there was an intervention call. I've listened to that call and when asked why he was transferring the funds from his account to Revolut Mr B says for bonuses and when asked what the purpose of the loan was, he said to send money to his parents. We know this wasn't the case and Mr B used the money towards the scam.

Given the knowledge Mr B had regarding cryptocurrency investment scams prior to payment 3, the similarities between the two scams as well as the close proximity of them and that an intervention with the sending bank hadn't positively impacted Mr B, I think that it's more likely than not that a written warning about cryptocurrency investment scams from Revolut wouldn't have resonated with Mr B or prevented him from making payment 3, or those that followed.

So, whilst I've found that Revolut missed an opportunity to intervene here, I don't think a proportionate intervention as described above, would have led to a different outcome. And as I find a proportionate intervention from Revolut wouldn't have prevented Mr B's loss, it wouldn't be reasonable for me to hold Revolut responsible for it.

Payment 7 was a transfer to an individual and I've seen Mr B selected the payment purpose as 'safe account transfer'. This ought to have triggered a human intervention from Revolut as a safe account transfer, if the true reason for a transfer, would mean a customer was very likely being scammed, so we'd expect a conversation, whether via the in app chat or otherwise. Mr B told us he made this payment to what he believed was a manager who was going to help him pay to withdraw his funds and that Mr B needed to contribute to that amount. I don't have the translated scam chats to support this. And from Mr B's testimony it isn't clear to me if this payment relates to the first or second scam and without further evidence to link this particular payment to either scam, I'm minded not to consider Revolut's actions further.

I'm sorry to disappoint Mr B further, but I've thought carefully about everything that has happened, and with all the circumstances of this complaint in mind I don't think Revolut needs to refund Mr B's money or pay any compensation. I realise this means Mr B is out of pocket and I'm really sorry he's lost this money. However, for the reasons I've explained, I don't think I can reasonably uphold this complaint.

Recovery

I've thought about whether there's anything else Revolut could have done to help Mr B and I've considered whether Revolut took the steps it should have once it was aware that the payments were the result of fraud.

Most of Mr B's payments were to purchase cryptocurrency. In that case the money would have been exchanged into cryptocurrency and sent on to the wallet he gave, this was supplied to him by the scammer. It seems that Mr B got the cryptocurrency he paid for and in these cases, there's no real prospect of successful recovery of funds.

I've seen evidence that the funds for payment 7 were withdrawn from the account by the end customer on 25 April 2023. Mr B's first contact with Revolut seems to be after this date so there wasn't a prospect of successful recovery for this payment.

Responses to my provisional decision

Mr B's representative responded and said:

- Revolut should have systems in place to identify and protect vulnerable customers from such scams. Payment 3, being significantly higher than the previous payments and going to a known cryptocurrency provider, should have triggered further inquiries and a proportionate intervention by Revolut. Furthermore, Revolut's failure to intervene effectively and the subsequent lack of successful recovery efforts indicate a lack of adequate measures to protect our client from foreseeable harm.
- The payments being self-to-self doesn't absolve Revolut from its responsibility to monitor for unusual transactions and intervene accordingly.
- The payments were made under the guidance of scammers and Revolut had a duty to protect Mr B.
- The notion of a 'safe account' for scam victims is impractical. Revolut should implement robust monitoring systems to identify and prevent fraudulent transactions rather than relying on the concept of a safe account.
- If the assumption is the scam warning wouldn't have changed Mr B's actions, then it implies the warnings are not fit for purpose.

Revolut said it accepted the provisional decision and had no further observations to add.

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.

I've fully considered Mr B's recent submission in response to my provisional decision, while I may not comment on every single point, I've thought carefully about them all and it doesn't change my decision that I'm not upholding this complaint. I'll explain why.

To Mr B's points regarding the circumstances around the payments and Revolut's obligations on this, as outlined in my provisional decision Revolut ought to have recognised that payment 3 carried a heightened risk of financial harm from fraud and intervened on this payment. As I explained a proportionate intervention at the time payment 3 was made, would have been a written warning about cryptocurrency investment scams. I would have expected it to highlight the key hallmarks of such scams as described in my provisional decision.

However, I'm still not persuaded a warning of this nature would have positively impacted Mr B. I say this because prior to making payment 3, Mr B was aware he had fallen victim to a very similar cryptocurrency investment scam. So, I don't think a warning as described would have given Mr B enough new information, if any, that he wasn't already aware of due to his recent personal cryptocurrency investment scam experience. As explained in the provisional decision an intervention with the sending bank hadn't positively impacted Mr B. Therefore, I'm not satisfied a proportionate warning from Revolut as described would have resonated with him and he would have more likely than not continued to make the payment.

Mr B says if I am to assume a proportionate warning as I've outlined wouldn't have prevented him making payment 3 (and in turn the remaining payments) the warning can't be fit for purpose. A warning as described in my provisional decision would have covered off some of the main features of such scams and those which were relevant to the circumstances of both scams Mr B fell victim too and would've been proportionate to the risk payment 3 presented. So, I find that an effective warning wasn't likely to have prevented Mr B from making the payment, or those that followed for the reasons given above.

In my provisional decision I said I didn't have enough evidence to link payment 7 with either scam and without additional evidence to do so I was minded not to consider Revolut's actions further for this payment. No additional evidence has been provided to link payment 7 to either scam so I've not considered Revolut's actions regarding it any further.

I recognise Mr B has been the victim of two cruel scams and I'm sorry he lost this money. But for the reasons I've explained, I don't think Revolut needs to refund Mr B's money or pay any compensation, so I won't be asking it to refund him.

My final decision

My final decision is that I'm not upholding this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 6 May 2025.

Charlotte Mulvihill
Ombudsman