

## The complaint

Mr G complains that Revolut Ltd won't reimburse him after he fell victim to a scam.

## What happened

On 25 March 2025, I issued my provisional decision on this complaint. I wanted to give both parties a chance to provide any more evidence and arguments before I issued my final decision. That provisional decision forms part of this final decision and is copied below.

*Mr G has explained that he was attempting to complete a trade on a cryptocurrency platform via peer-to-peer lending. Mr G transferred funds from his Revolut account to his business account to trade with, which I understand were then sent on to a cryptocurrency platform. Mr G then agreed a trade with an individual on the platform. However, this individual he was attempting to trade with was in fact a fraudster, who tricked Mr G into providing some information about himself, including his email address. Using this information, the fraudster sent Mr G an email purporting to be from the cryptocurrency platform being used. Therefore in this scenario, the fraudster was communicating with Mr G pretending to be both a fellow trader, and the cryptocurrency platform. For ease of reading, when setting the scam out below, I'll simply refer to the fraudster in their two roles - as the trader or cryptocurrency platform.*

*The email Mr G received suggested that both Mr G's and the other trader's funds couldn't be released due to both not meeting the 'minimum limit for an internal pay order' of 4,000USDT. Mr G was advised that, in order for funds from his attempted trade to be released, he would need to pay a further 2,800USDT and was provided with a wallet address to send these funds to.*

*After discussing this with the trader, and believing they were both in the same position, Mr G agreed to send the funds to the wallet in question. He made a payment to his cryptocurrency wallet by card from his Revolut account, then passed the funds on to the wallet details provided.*

*However, once this payment had been made, the cryptocurrency platform asked Mr G for some further information in order to send him his funds. One piece of information Mr G was asked for was his 'crypto kyc ID'. When Mr G questioned what this was, he was told it was needed for verification of his transaction and was told he is required to apply for it, at a further cost.*

*Mr G questioned this with the other trader, as well as whether he had any concerns that the platform may be a scam. However, the trader led Mr G to believe that the identification was standard process for cryptocurrency trading and that he had been using the platform successfully for years. Being new to the process, and having verified the need for this ID with the trader, Mr G agreed to make the payment. He sent funds again via his Revolut account to the wallet details provided.*

*Once Mr G had received what he believed was his ID, the platform told him there had been an error refunding him, and that he would need to pay 45% of the funds due back to him to*

another website to receive the rest of his refund. Mr G expressed his concerns to the trader about the legitimacy of the other site, believing it to be fraudulent. However, the trader advised he was proceeding with the request. Mr G waited to see how the trader got on, and when it appeared his refund was progressing Mr G appears to have made the requested payment also (although it doesn't seem to have been made from his Revolut account.) When Mr G was then asked to pay further tax fees and he had no more funds to send, he realised he'd fallen victim to a scam and contacted Revolut to make a claim.

In total, Mr G made the following payments linked to the scam:

Date / Time	Payment value	Payment type
02/10/2023 13:14	£200	Payment transfer to Mr G's business account
02/10/2023 13:32	£400	Payment transfer to Mr G's business account
02/10/2023 13:45	£400	Payment transfer to Mr G's business account
02/10/2023 16:06	£2392.32	Declined card payment to cryptocurrency
02/10/2023 16:48	£2392.32	Card payment to cryptocurrency
02/10/2023 18:03	£1,654.64	Card payment to cryptocurrency
02/10/2023 20:05	£82.73	Card payment to cryptocurrency

Revolut considered Mr G's complaint but didn't uphold it. It didn't consider the payment transfers Mr G made to his business account were out of character for the account. For the card payments made to the cryptocurrency platform, Revolut said these were not valid for a chargeback, based on how they were authenticated.

Mr G remained unhappy and referred his complaint to our service. An investigator reviewed the complaint and upheld it in part. He thought that by the time Mr G made the first successful card payment, Revolut ought to have been alerted to the fact that Mr G may be at risk of financial harm from fraud, based on the payment being higher than Mr G's typical spending, as well as to a cryptocurrency platform. He considered Revolut ought to have asked some tailored questions to determine what the most likely scam was that Mr G was falling victim to and provided a scam warning on this basis (which he considered would be investment scams). He considered that had Revolut done so, Mr G would've realised he was falling victim to a scam and wouldn't have made any further payments.

However the investigator also thought Mr G could have done more to protect himself from financial harm and should also be held liable for his losses. The investigator therefore considered Revolut should refund Mr G 50% of the card payments he made, with Mr G being liable for the other 50% of these losses.

Revolut disagreed with the investigator's opinion. In summary, it said that:

- These were self-to-self payments, and therefore the scam did not occur on Revolut's platform.
- It is irrational and illogical to hold Revolut liable for losses where it is merely an intermediate link and our service should consider possible other banks interventions.

As Revolut disagreed with the investigator's view, the complaint has been referred to me for a decision.

### **What I've 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, while I'm sorry to disappoint Mr G, I don't think Revolut should fairly be held liable for his losses. I appreciate this will come as a disappointment to Mr G, so I'd like to explain my reasons why.

In deciding what's fair and reasonable in all the circumstances of a complaint, I am required to take into account relevant: law and regulations; regulators' rules, guidance and standards; codes of practice; and, where appropriate, what I consider to have been good industry practice at the time.

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.

However, taking into account longstanding regulatory expectations and requirements and what I consider to have been good industry practice at the time, (including the Financial Conduct Authority's "Consumer Duty", which requires financial services firms to act to deliver good outcomes for their customers) Revolut should in October 2023 fairly and reasonably 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.

### **Should Revolut have fairly and reasonably made further enquiries before processing Mr G's payments?**

It isn't in dispute that Mr G has fallen victim to a cruel scam here, nor that he authorised the disputed payments he made from his account, but I've thought about whether Revolut should have reasonably intervened any further than it did and if so, what impact this intervention would have had.

On the day the scam began, Mr G initially sent three payments from his Revolut account to his business account. This was a new payee for Mr G's account, so while I don't think any of these payments were so out of character that they themselves warranted intervention, I think they are certainly still part of the overall picture to consider here in Mr G's account activity that day and what may have been an indication of fraud for Revolut. For the first of these transactions, Revolut said it provided the following warning:

'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.'

*For the second payment transfer Mr G made, Revolut said the payment was held and Mr G was asked more granular questions about the payment he was making, although Revolut was unable to confirm what information was provided by Mr G.*

*Around two hours later, Mr G made a card payment that was the largest he'd made on the account, and to a cryptocurrency platform. Revolut has confirmed it declined the initial payment attempted by Mr G to ask for evidence of the source of funds. Once this was provided, it allowed Mr G to make the payment again.*

*Revolut would have been aware that Mr G's card payments to the scam were being made to a cryptocurrency provider and it would've been well known to Revolut by this time that scams involving cryptocurrency are becoming increasingly prevalent. I think that by the time Mr G made this first card payment to the scam, the payments he was making were sufficiently out of character that Revolut ought to have taken steps to better understand the payment purpose, and provide a warning relevant to his circumstances.*

*Having considered what a proportionate warning would look like in these circumstances, I've taken into account that many payments that look very similar to the ones Mr G was making will be entirely genuine. I've given due consideration to Revolut's primary duty to make payments promptly.*

*As I've set out above, the FCA's Consumer Duty, which was in force at the time Mr G made these payments, which requires firms to act to deliver good outcomes for consumers including acting to avoid foreseeable harm.*

*With all of this in mind, when Mr G made this card payment, I think Revolut ought to have had systems in place to identify, as far as possible, the actual scam that might be taking place and to provide tailored, effective warnings relevant to that scam.*

*Would a tailored written warning have prevented Mr G's losses?*

*I've gone on to consider whether I think Revolut would have been able to identify the scam Mr G was falling victim to had it questioned Mr G and provided a tailored warning, so as to stop Mr G making further payments. However, having considered the complaint holistically, I don't think it would have.*

*I've taken into account that, while I would expect Revolut to ask questions to better understand any potential scam risks, it can only reasonably provide automated systems and warnings to cover the more prevalent scams circulating. I would therefore expect it to ask questions to assure itself that these typical scam scenarios weren't at play here. However, this wasn't a typical or common scam and isn't one I'd fairly have expected Revolut to therefore be 'alive' to. Having considered typical hallmarks of other cryptocurrency-based scams circulating, I also don't think there is any sufficient overlap with those scams where I would expect Mr G's answers provided to have caused concern to Revolut.*

*All things considered, I don't think there's any questions Revolut would reasonably have asked here that would have enabled it to identify here that Mr G may be at risk of a scam (or to raise red flags in Mr G's mind about what he was doing). On this basis, I don't think it would be reasonable to determine, following questioning, that Revolut should have further questioned Mr G, or stopped him from making this payment, or the subsequent ones he made.*

*As I haven't determined that Revolut could fairly have identified that Mr G was falling victim to a scam, it unfortunately follows that it can't be held liable for his losses.*

### Could Revolut have done anything else to recover Mr B's money?

*I've also thought about whether Revolut could have done more to recover the funds after Mr G reported the fraud.*

*Revolut wouldn't have been able to raise a claim against the bank transfers that Mr G made, as they went to an account held by him. Therefore any scam claim would be made against himself.*

*Additionally, payments made by card went to a cryptocurrency provider and that cryptocurrency was sent on to the fraudsters. So, Revolut would not have been able to recover the funds.*

*Overall while I'm sorry to disappoint Mr G – and I don't underestimate the impact this cruel scam will have had on him - I haven't determined that Revolut can be held responsible for his losses and I'm therefore not minded to ask it to reimburse him.*

### **My provisional decision**

*My provisional decision is that I don't uphold Mr G's complaint against Revolut Ltd.*

Revolut didn't respond to the provisional decision. Mr G disagreed with it. He raised his concerns about the lack of protection Revolut offered its own customer, and emphasised this was an authorised push payment (APP) scam. He considered the investigator's view of a partial refund was fair in representing that both parties were at fault.

### **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 appreciate Mr G's strength of feeling in this case, and I'd like to assure him I've considered the additional points he has made. However, having done so, while I'm sorry to disappoint Mr G, my opinion remains the same and I am not upholding his complaint. I'd like to explain why.

I can understand why Mr G feels both he and Revolut could've done more to prevent the scam and that liability should therefore be shared. However, I have to consider what Revolut were aware of here when the scam was taking place, and what was *reasonable* to have expected of Revolut in the circumstances.

Unfortunately, for the reasons I've set out above, I simply can't conclude that any reasonable level of intervention on Revolut's part would have uncovered this scam, based on it not following the typical scam hallmarks Revolut would've been looking for. I therefore can't conclude it ought to have provided Mr G with warnings that would've stopped him proceeding with these payments, or that it should have been on notice that something was amiss to stop the payments itself.

Therefore, while I know this will come as a disappointment to Mr G, my decision remains the same that I don't think Revolut can fairly be held liable for all, or part of his losses and I'm not requesting it reimburses him.

### **My final decision**

My final decision is that I don't uphold Mr G's complaint against Revolut Ltd.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 12 May 2025.

Kirsty Upton  
**Ombudsman**