

## **The complaint**

Mrs B complains that Revolut Ltd won't refund a payment she made as a result of a scam.

## **What happened**

In August 2024, Mrs B heard from a company that I'll call T about an investment opportunity, after she registered her details online in response to an advert she saw.

After investing a modest amount initially, Mrs B was given the option to invest a more significant sum, which claimed to offer substantial and guaranteed returns. So, with T's advisor's guidance, she transferred £10,000.00 from her Revolut account into her wallet with Crypto.com on 14 August 2024.

From there, the funds were exchanged into a cryptocurrency and sent to a wallet address T's adviser gave her. She was led to believe this deposited the funds on her investment account with T. But T was a scam and the investment was fake – and ultimately, her funds went to fraudsters.

A few days later, she told Revolut that she believed she'd been scammed. She said she'd spoken to a bank about an unrelated matter, and when she raised the circumstances of the investment, they told her it sounded like a scam. Revolut replied that it would try to recover the money from who she sent it to.

In October 2024, Mrs B raised a complaint to Revolut via professional representatives. In summary, this explained how Revolut had failed to take the necessary steps to protect Mrs B from the scam.

Revolut didn't uphold her complaint. It said it made the payment she authorised, and it didn't receive a response from Crypto.com about recovering the money. It also explained that it warned her when she set up the payee, and it asked her a series of questions about the payment – based on her responses, it provided scam awareness information. And after she said she understood the risks and still wanted to go ahead, it paused the payment for three hours so she'd time to think about it.

Unhappy with its response, Mrs B brought her concerns to us to investigate. Our investigator concluded that Revolut ought to have done more before it made the payment, and that it could've stopped Mrs B's losses from the £10,000.00 payment. As they thought Mrs B ought to share the blame, they recommended Revolut refund half of the payment, alongside interest to compensate her for the time she's been out of pocket.

While Mrs B accepted this, Revolut disagreed. Its submissions are detailed, but in summary, it said:

- Mrs B didn't answer its questions honestly, which didn't allow Revolut to provide relevant warnings. And that while it can question customers, it can't arbitrarily hold a payment when a customer is insistent.
- It disagreed the transaction was obviously tied to crypto, particularly as Mrs B said

she was transferring money to her own account.

- Payments to a customer's own account don't meet the definition of an APP scam. It shouldn't be responsible for its customer's loss where it is only an intermediate link in a chain of transactions.
- The role of other financial businesses (including any interventions or warnings they might have provided) needs to be considered.
- The Financial Ombudsman should inform the complainant that it might be appropriate to make a complaint against another respondent.

### **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

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

It's clear from the steps Revolut took that it recognised the payment as a potential scam. Nevertheless, I will still summarise why I think it ought to have been concerned, as this is relevant to what a reasonable and proportionate intervention ought to have looked like (something that I'll come to later).

Having reviewed the circumstances of the payment, I accept Revolut knew far less about the payment than the detail in which I've described the scam above. But I'm satisfied Revolut ought to have known from the sort code used that it was linked to Crypto.com. And therefore, that it was likely the payment was related to crypto.

Given that you can only top up an account with Crypto.com (and most crypto exchanges) using an account in your own name, I accept this would've offered some reassurance to Revolut.

But, by August 2024, I consider that Revolut ought to have considered that payments to crypto providers carry an elevated risk of fraud. That's given the increase in crypto scams, which the FCA and Action Fraud had published warnings about.

I appreciate that other high street banks' restrictions meant more people used Revolut to purchase crypto, and that a significant majority of these purchases will be legitimate. But our service has also seen many examples of consumers being directed by fraudsters to use Revolut accounts to facilitate moving money from their high street bank account to a cryptocurrency provider.

So, taking this all into account, I'm satisfied that when Mrs B attempted this payment, Revolut ought fairly and reasonably to have recognised it was connected to crypto and that this carried an increased risk of fraud, even if the crypto wallet was in her name.

As well as this risk, I'm mindful that the disputed payment was to a new payee for a significant amount – £10,000. And it stood out as a particularly unusual payment, given the account hadn't been used much since 2022, and it was generally used for relatively modest spending.

With this in mind – the increased risk of crypto and the uncharacteristic circumstances of the payment – I find the payment represented a risk of financial harm from fraud.

#### What did Revolut do to warn Mrs B?

When Mrs B set up the new payee, Revolut displayed a written warning about whether she knew and trusted the payee.

Following this, a screen was displayed which said that something didn't look right, and it had identified the payment as a potential scam – so she'd need to answer some questions. In summary, she answered these as follows:

- She understood that if she didn't answer honestly, she may not be able to get her money back if it was a scam.
- No one was pressuring her, and she was making the transaction herself.
- She was transferring money to another account of hers (there was also an option to select it was part of an investment).
- This account was with another bank (there was also an option to select an investment account, like a crypto wallet).
- Her bank didn't ask her to make the transfer, she'd not installed software, no-one had told her that her account wasn't safe, and the money was going to an existing account.

Revolut proceeded to show her a series of written warnings about impersonation scams, unexpected calls, remote access, and safe account scams. Finally, it asked her to confirm she understood the risk and explained the payment would be made in three hours. In the meantime, it suggested she get a second opinion, research the recipient and not let anyone talk her through how to respond to Revolut.

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

I recognise that Revolut took steps to narrow down the fraud risk and provide relevant warnings based on Mrs B's answers. But in the circumstances, I'd have expected it to go further – for example, by directing her to its in-app chat facility to discuss the circumstances of the payment with one of its agents.

That is because, as I've explained, the payment was particularly unusual for Mrs B. Moreover, Revolut ought to have known from the payment details that it was crypto related, so I'd have expected it to have been concerned by Mrs B's answers which didn't acknowledge this.

*If Revolut had provided a warning of the type described, would that have prevented the losses Mrs B suffered?*

Had Mrs B been forthcoming with Revolut, I'm satisfied the scam would've unravelled easily and the payment stopped, given how it featured the hallmarks of common crypto investment scams. Indeed, the scam did quickly come to light when she spoke with another bank shortly after the payment had been made.

Accordingly, the question is whether Revolut's open and probing questions would've revealed the true circumstances of the payment. I accept, and Mrs B has acknowledged, that the fraudster guided her in making the payment – and this meant her answers to Revolut's automated questions could've been more accurate.

But I can also see how Mrs B wasn't particularly alarmed by the fraudster's guidance. She was reassured that it was just in response to the new activity, and I don't think her answers were wildly at odds with what was happening. After all, she considered that she was sending money to her own account.

So I don't think this necessarily demonstrates that had Revolut asked further questions about the payments, that used its knowledge of how it was related to crypto, that Mrs B would've been willing to provide a misleading cover story. Particularly given how, shortly after the payment, she volunteered the circumstances to a bank. This, to me, doesn't suggest someone that's determined to lie or generally distrusting of a firm's help to keep her money safe.

In any event, I'd have still expected Revolut's questions to have provided, in clear and understand terms, context around what crypto investment scams look like. That's given its knowledge that it was crypto-related and how victims are commonly coached. This means that, even if Mrs B wasn't forthcoming, I think she'd have been able to see for herself how her circumstances closely matched those of a scam. And, much like when a bank warned her, I think this would've aroused suspicion and dissuaded her from making the payment. After all, it's clear this money meant a lot to her and her family so it wasn't something she was willing to lose to a potential scam.

Revolut has highlighted in its submissions the relevance of other firms' possible interventions in determining how Mrs B would've responded here. But I'm not persuaded it's likely another firm would've spoken to her – as the money that topped up her Revolut account came from someone else's account. So, I don't think this is relevant to the facts of this case.

Taking this all into account, I'm satisfied that Revolut ought to have asked her open and probing questions that used its knowledge that the payment was crypto related – and it ought to have provided relevant context around crypto investment scams. Had this have happened, I've persuaded the scam would've been stopped in its tracks, and Mrs B wouldn't have lost out from the payment.

*Is it fair and reasonable for Revolut to be held responsible for Mrs B's loss?*

I have taken into account that Mrs B remained in control of her money after making the payments from Revolut. It wasn't lost until she took further steps. But Revolut should still have recognised that she was at risk of financial harm from fraud, made further enquiries about the payment and ultimately prevented Mrs B's loss from that point. I think Revolut can fairly be held responsible for her loss in such circumstances.

I note Revolut has also suggested Mrs B could complain to the firm who handled the incoming payment to Revolut. But, as I've said, I don't think this account was in her name. So I don't think it's relevant here, and I note I couldn't compel her to complain in any case.

*Should Mrs B bear any responsibility for their losses?*

Mrs B has accepted our investigator's recommendation that the award should be reduced by 50% to reflect her contributory negligence. So I won't comment on this in detail. But to summarise, while I appreciate how Mrs B was taken in by the sophistication of the scam, I think she ought to have questioned things more, particularly given the sum she was investing. I'd also have expected her to have been especially sceptical of the offer of guaranteed, substantial returns, which frankly looked too good to be true. In these circumstances, while I don't wish to blame Mrs B as a victim of a scam, I think it's fair to reduce the award against Revolut by 50%.

**My final decision**

For the reasons I've explained, I uphold Mrs B's complaint. Revolut Ltd must:

- Pay Mrs B her losses from the £10,000.00 payment, less 50% to reflect her contributory negligence.
- Pay 8% simple interest per year on this amount (less any tax lawfully deductible).

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs B to accept or reject my decision before 21 August 2025.

Emma Szkolar  
**Ombudsman**