

## The complaint

Mr K complains that Revolut Ltd won't refund the money he lost to a scam.

Mr K is represented by C, for ease I've referred to comments made by C as though they were made by Mr K.

## What happened

The details of this complaint are well known to both parties, so I won't repeat it all again here.

Mr K complains that the following payments were made to what he thought was a genuine investment.

Payment	Date	Type of Transaction	Amount
1	20 February 2023	Bank transfer	£5,000
2	24 February 2023	Bank transfer	£5,000
3	28 February 2023	Bank transfer	£10,000
4	1 March 2023	Bank transfer	£4,000
	<b>May 2023</b>	<b>Payment received</b>	<b>£2,000</b>

In summary, Mr K said he received a telephone call from someone regarding a cryptocurrency investment opportunity. He said he was told he had to wait six months to withdraw funds from the investment. Mr K said he waited the six months, but when it came to it, he could not make any withdrawals. And it was at this point he realised he had been scammed. Mr K contacted Revolut but it didn't refund the money he lost.

Mr K brought his complaint to our service and our investigator thought it should be upheld. He recognised that Mr K had not given accurate answers, but he thought that Revolut ought to have probed further and asked questions relating to cryptocurrency investment scams. He thought that had it done so, it could have uncovered the scam. However, our investigator didn't think Mr K acted reasonably and thought he ought to bear equal responsibility for his loss.

Revolut didn't agree with our investigator, and it asked for an ombudsman's decision. It says that because Mr K gave inaccurate answers to it and to his other banks, this prevented them from providing the relevant warnings.

As an agreement couldn't be reached, the complaint has been passed to me to decide. I issued my provisional decision on 24 April 2025 in which I said the following:

*"I have considered all the available evidence to decide what's fair and reasonable in the circumstances of this complaint. Having done so, I don't intend to uphold it. I know it will be*

*disappointing to Mr K, but I'll explain my reasons why.*

*Firstly, I want to clarify that I've taken into account the detailed submissions from both parties in reaching my decision. However, if there's something I've not mentioned, it isn't because I've ignored it. I haven't. Rather, I've focused on setting out what is key to my decision.*

*In broad terms, the starting position in law is that an electronic money institution such as Revolut is expected to process payments and withdrawals that a customer authorises it to make. There is no dispute here that Mr K authorised the payments. And in accordance with the Payment Services Regulations and the terms and conditions of the account, Mr K is responsible for the loss.*

*However, taking into consideration the relevant regulatory rules and guidance, codes of practice and good industry practice, Revolut should look at the wider circumstances surrounding transactions before making a payment. It should take steps to identify and where possible prevent sufficiently unusual or uncharacteristic payments to help protect its customers from financial harm resulting from fraud.*

*Mr K stated the purpose of the first payment was a transfer to a safe account. This payment was stopped by Revolut and Mr K was directed to its in-app chat where an agent questioned him further about the payment purpose. Considering the value of the payment, that it was to a cryptocurrency provider, and the payment purpose Mr K gave, I find intervention by a member of staff appropriate in the circumstances, which is what Revolut did.*

*When questioned Mr K said he was just transferring money to his other account. He also said he had not been asked to download screen sharing software. I appreciate that Mr K had not answered the questions accurately. Even so, I think it's unlikely that someone might transfer funds to a cryptocurrency provider without any further plans for the money. Considering the payment was identifiably to a cryptocurrency platform, I would expect the agent to have provided a written warning specifically about the risks of a cryptocurrency scam.*

*I think that such a warning should have addressed the key risks and features of the most common cryptocurrency scams – cryptocurrency investment scams. The warning Revolut ought fairly and reasonably to have provided should have highlighted, in clear and understandable terms, the key features of common cryptocurrency investment scams, for example referring to: an advertisement on social media, promoted by a celebrity or public figure; an 'account manager', 'broker' or 'trader' acting on their behalf; the use of remote access software and a small initial deposit which quickly increases in value.*

*While, I think Revolut could have done more here, I must also consider whether a warning as set out above would have been effective in the circumstances. And I am not persuaded it would. I say this because, Mr K had already made an initial deposit via an account he held elsewhere and could see his investment growing. This is a tactic we often see scammers use to convince their victims that the investment is genuine. Mr K told us he conducted his own research into the firm and did not find any negative reviews and this convinced him.*

*The scammer told Mr K that the banks may stop the payment because they didn't want him to make money through trading and he accepted this. They asked him to mislead the bank about the purpose of the payment, which he agreed to do. So, I think it's fair to say Mr K believed it was a legitimate investment and had come to trust the scammer.*

*By the time he was making the first payment from his Revolut account he had already been convinced to take out two loans he used to fund the scam. He also confirmed that he had not*

*said the money was for an investment when he applied for the borrowing. He gave inaccurate answers when Revolut questioned him about the payment. I think this further shows that Mr K had been taken in by the scammer and he was determined to have the payments authorised.*

*I also note that his other banks intervened and provided warnings on some of the transfers to Revolut. I appreciate that the warnings were not specifically about the risk of a cryptocurrency scam. However, during one of these interventions Mr K said he had not been asked to lie or deceive the bank which was not the case. Importantly, the agent informed him that if he had been asked to lie, then it was a scam and Mr K opted to continue despite this warning.*

*Mr K only started to question the legitimacy of the investment and the scammer after he had waited six months but then couldn't withdraw funds from the investment. I think it's likely he would have grown to trust the scammer more as time passed and he became more invested.*

*In light of all this, I'm not persuaded a warning of the nature described above would have had a positive impact on Mr K and stopped him proceeding with any of the payments he made. I could only uphold this complaint and required Revolut to refund the payments if I thought its errors made a material difference here and I'm not persuaded that they did.*

#### Recovery

*Revolut said it attempted to recover Mr K's funds, but unfortunately it was not able to. Considering the payments were made for the purpose of purchasing cryptocurrency and made to a legitimate merchant, I don't think there were any prospects of recovering the funds.*

*I have carefully considered all that has happened here. I understand that Mr K has been the victim of a cruel scam, I sympathise with him, but I must put aside my feelings and consider the complaint impartially. And while I appreciate Mr K lost out here, I can't fairly or reasonably hold Revolut responsible for his loss."*

Mr K made the following comments in response to my provisional decision:

- He says that Revolut is expected to have systems and practices in place to monitor and intervene in transactions that may be uncharacteristic or unusual, thereby protecting consumers from potential financial harm.
- Mr K says that Revolut's failure to issue a specific warning regarding cryptocurrency investment scams represents a deviation from good industry practice.
- He thinks that given the value and destination of the payments, Revolut should have engaged in more probing questions and provided warnings tailored to the risks of cryptocurrency investment scams. This proportionate intervention could have potentially prevented the loss.
- Mr K says that he was vulnerable to financial harm and by failing to issue specific warnings about cryptocurrency scams, Revolut did not adequately protect him.

#### **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 have taken into consideration Mr K's comments in response to my provisional decision, and I'm not minded to change the outcome I have reached. I know it will be disappointing, but I'll explain my reasons why.

I do not dispute that Revolut could have done more to protect Mr K. In my provisional decision I explained that I think it ought to have provided a warning specific to the risk of a cryptocurrency investment scam. However, that it not the end of the story, I must also consider whether a tailored warning as I described, would have had a positive impact on Mr K. I find Mr K was under the spell of the scammer, it is clear to me that he had come to trust them, and he believed that the investment opportunity was legitimate. It is for this reason I don't think a tailored and detailed warning would have stopped him from making the payments. And I have not been provided with any further information that persuades me otherwise, therefore I can't fairly or reasonably ask Revolut to reimburse Mr K for the money he lost.

### **My final decision**

For the reasons outlined above, my final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 18 June 2025.

Oluwatobi Balogun  
**Ombudsman**