

The complaint

Mr G complains Revolut Ltd failed to protect him when he was falling victim to a scam and hasn't reimbursed him since that scam was revealed.

What happened

I issued a provisional decision (PD) for Mr G's complaint on 14 May 2025. In it I set out the background to the complaint along with my intended findings. I've included a copy of the PD below, *in italics*. Here, I'll explain what's happened since the PD was issued.

Revolut didn't respond to the PD.

Mr G responded to ask for a list of the transactions we'd considered. We provided this to him, but haven't heard from him further.

As the deadline for responses has now arrived, I'm proceeding to issue my final decision.

What happened

The background to this complaint is well-known to all parties and so I'll only provide a summary of key events here.

Mr G saw what has been described as a televised interview in which a company – I'll call it Company V – was promoted as being a reputable supplier of cryptocurrency brokerage services. Upon seeing the advert Mr G searched for Company V online and was impressed by what he's described as a professional looking website, complete with data and graphs which appeared to show live trades. He submitted his contact details using the online contact form.

A representative of Company V soon called Mr G to discuss the investment opportunity. Mr G has explained how genuine and professional this person seemed, and he was persuaded to invest. What he didn't know was that he'd been contacted by a scammer.

Mr G was directed to open an account with Company V, which he went on to do. This gave him access to an online platform showing his own personal trading portfolio. He was then told he'd need to fund the account and, to do so, he'd need to open a new Revolut account and a cryptocurrency wallet. Funds would then have to be paid from Revolut, to the wallet, and on to his trading account. But the destination the cryptocurrency was sent to was a different wallet in the control of the scammers. So any time Mr G sent funds on, they were lost. That wasn't apparent to Mr G at the time as he could see what appeared to be the funds crediting his trading account, with seemingly live trading activity then following.

Mr G made two payments to the cryptocurrency wallet from his account on 29 June 2022: one for £3,900, the second for £4,500. A third payment was made on 4 July 2022. All these payments had been funded by Mr G transferring money from a current account he held elsewhere, with Company L.

The scam was revealed when Mr G tried making further payments from Company L to Revolut. It intervened in a payment and questioned Mr G as to its purpose. Staff at

Company L were suspicious of Mr G's response and so asked him to attend his local branch. When the payments were discussed, the scam was revealed.

Mr G raised the issue with Company L and with Revolut. Both considered what had happened, but each said it wouldn't reimburse Mr G's losses. Revolut said it hadn't been provided with enough evidence and information from Mr G to complete an investigation, so it held him responsible for the payments. Mr G was unhappy with Revolut's response and so referred his complaint to our service.

One of our investigators considered what had happened and said Revolut had acted fairly and reasonably in the circumstances. He didn't think the activity on Mr G's account was unusual enough to warrant intervention from Revolut. In saying as much he noted the account was newly created and so there was no historical transaction data to refer to. He further noted that cryptocurrency had been selected as a reason for opening the account.

Mr G asked that an ombudsman review his complaint and so it's been passed to me.

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, I intend on reaching a different outcome to that of our investigator.

In deciding what's fair and reasonable, I am required to take into account relevant law and regulations, regulators' rules, guidance and standards, and codes of practice; and, where appropriate, I must also take into account 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.

*And, as the Supreme Court has recently reiterated in *Philipp v Barclays Bank UK PLC*, subject to some limited exceptions banks have a contractual duty to make payments in compliance with the customer's instructions.*

In that case, the Supreme Court considered the nature and extent of the contractual duties owed by banks to their customers when making payments. Among other things, it said, in summary:

- The starting position is that it is an implied term of any current account contract that, where a customer has authorised and instructed a bank to make a payment, it must carry out the instruction promptly. It is not for the bank to concern itself with the wisdom or risk of its customer's payment decisions.*
- At paragraph 114 of the judgment the court noted that express terms of the current account contract may modify or alter that position. In *Philipp*, the contract permitted Barclays not to follow its consumer's instructions where it reasonably believed the payment instruction was the result of APP fraud; but the court said having the right to decline to carry out an instruction was not the same as being under a legal duty to do so.*

*In this case, the terms of Revolut's contract with Mr G modified the starting position described in *Philipp*, by expressly requiring Revolut to refuse or delay a payment "if legal or regulatory requirements prevent us from making the payment or mean that we need to carry out further checks".*

So Revolut was required by the implied terms of its contract with Mr G and the Payment Services Regulations to carry out their instructions promptly, except in the circumstances set out in its contract, which included where regulatory requirements meant it needed to carry out further checks.

Whether or not Revolut was required to refuse or delay a payment for one of the reasons set out in its contract, the basic implied requirement to carry out an instruction promptly did not in any event mean Revolut was required to carry out the payments immediately¹. Revolut could comply with the requirement to carry out payments promptly while still giving fraud warnings, or making further enquiries, prior to making the payment.

And, I am satisfied that, taking into account longstanding regulatory expectations and requirements and what I consider to have been good industry practice at the time, Revolut should in June 2022 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 (irrespective of whether it was also required by the express terms of its contract to do so).

In reaching the view that Revolut should 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, I am mindful that in practice all banks and EMI's like Revolut do in fact seek to take those steps, often by:

- using algorithms to identify transactions presenting an increased risk of fraud;²*
- requiring consumers to provide additional information about the purpose of transactions during the payment authorisation process;*
- using the confirmation of payee system for authorised push payments;*
- providing increasingly tailored and specific automated warnings, or in some circumstances human intervention, when an increased risk of fraud is identified.*

In reaching my conclusions about what Revolut ought fairly and reasonably to have done, I am also mindful that:

- Electronic Money Institutions like Revolut are required to conduct their business with “due skill, care and diligence” (FCA Principle for Businesses 2), “integrity” (FCA Principle for Businesses 1) and a firm “must take reasonable care to organise and control its affairs responsibly and effectively, with adequate risk management systems” (FCA Principle for Businesses 3)³.*
- Over the years, the FCA, and its predecessor the FSA, have published a series of publications setting out non-exhaustive examples of good and poor practice found when reviewing measures taken by firms to counter financial crime, including various iterations of the “Financial crime: a guide for firms”.*
- Regulated firms are required to comply with legal and regulatory anti-money laundering and countering the financing of terrorism requirements. Those requirements include maintaining proportionate and risk-sensitive policies and*

¹ The Payment Services Regulation 2017 Reg. 86 states that “the payer’s payment service provider must ensure that the amount of the payment transaction is credited to the payee’s payment service provider’s account **by the end of the business day following the time of receipt of the payment order**” (emphasis added).

² For example, Revolut’s website explains it launched an automated anti-fraud system in August 2018:

https://www.revolut.com/news/revolut_unveils_new_fleet_of_machine_learning_technology_that_has_seen_a_fourfold_reduction_in_card_fraud_and_had_offers_from_banks/

³ Since 31 July 2023 under the FCA’s new Consumer Duty package of measures, banks and other regulated firms must act to deliver good outcomes for customers (Principle 12), but the circumstances of this complaint pre-date the Consumer Duty and so it does not apply.

procedures to identify, assess and manage money laundering risk – for example through customer due-diligence measures and the ongoing monitoring of the business relationship (including through the scrutiny of transactions undertaken throughout the course of the relationship). I do not suggest that Revolut ought to have had concerns about money laundering or financing terrorism here, but I nevertheless consider these requirements to be relevant to the consideration of Revolut's obligation to monitor its customer's accounts and scrutinise transactions.

- The October 2017, BSI Code⁴, which a number of banks and trade associations were involved in the development of, recommended firms look to identify and help prevent transactions – particularly unusual or out of character transactions – that could involve fraud or be the result of a scam. Not all firms signed the BSI Code (and Revolut was not a signatory), but the standards and expectations it referred to represented a fair articulation of what was, in my opinion, already good industry practice in October 2017 particularly around fraud prevention, and it remains a starting point for what I consider to be the minimum standards of good industry practice now (regardless of the fact the BSI was withdrawn in 2022).*
- Revolut should also have been aware of the increase in multi-stage fraud, particularly involving cryptocurrency when considering the scams that its customers might become victim to. Multi-stage fraud involves money passing through more than one account under the consumer's control before being sent to a fraudster. Our service has seen a significant increase in this type of fraud over the past few years – particularly where the immediate destination of funds is a cryptocurrency wallet held in the consumer's own name. And, increasingly, we have seen the use of an EMI (like Revolut) as an intermediate step between a high street bank account and cryptocurrency wallet.*

Overall, 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 June 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); and*
- 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.*

Should Revolut have recognised that Mr G was at risk of financial harm from fraud?

I'm satisfied that Revolut ought to have identified Mr G was at risk of financial harm from fraud when he went to make the second payment on 29 June 2022. It would appear that

⁴ BSI: PAS 17271: 2017" Protecting customers from financial harm as result of fraud or financial abuse"

Revolut must agree with me here to some extent, given it's said it did seek to provide Mr G with a warning about the payment (though it ultimately didn't).

To be clear though, for payment two, Mr G was making the second quick fire payment to a cryptocurrency exchange. The two payments were within 45 minutes of each other. And the cumulative value was almost £10,000. Both of those payments out had been funded by transfers into the account, with that money being quickly moved on.

Revolut ought to have known that money was going to a cryptocurrency platform, and that ought to have factored into its risk scoring, bearing in mind what I've already said about the risk of such payments.

I've also taken account of Mr G's age at the time of the scam. He was on the cusp of 80 years old, and so this ought to have also factored into Revolut's risk scoring as a potential vulnerability. I'm not saying here that Mr G was necessarily vulnerable, or that anyone close to or above 80 is inherently vulnerable. But the FCA has identified the age group as being particularly at risk to financial harm through fraud. So I consider it fair and reasonable for Revolut to have taken note of that fact.

In making the finding that Revolut ought to have intervened, I've taken note of both the fact there was limited transactional history for the account and that Mr G had stated cryptocurrency as an account opening purpose. Whilst these factors might fairly and reasonably be said to reduce the perceived risk, I don't find it ought to have been diminished so much so as to say no intervention was necessary.

What did Revolut do to warn Mr G?

Revolut has said it presented Mr G a warning when he set up the new payee for the payments to his cryptocurrency wallet. This said:

Do you know and trust this payee?

If you're unsure, don't pay them, as we may not be able to get your money back. Remember, fraudsters can impersonate others, and we'll never ask you to make a payment.

Revolut further explains it highlighted the second payment as suspicious, and so prompted Mr G to enter a specific payment purpose. But it says Mr G didn't provide one, closed the screen used to select a purpose, and went on to make the payment. And so no warning was provided.

What kind of warning should Revolut have provided?

I'm not persuaded Revolut acted fairly and reasonably when it allowed Mr G to make the second payment despite not selecting a payment purpose. It had clearly detected a risk of financial harm through fraud but then essentially did nothing to mitigate that risk. It can't be said that Revolut ought to have been satisfied by Mr G closing down the payment purpose selection screen. If anything, that ought to have escalated concerns.

Regardless of that, I'm satisfied, considering the characteristics of the payment I've already highlighted, Revolut ought to have sought a human intervention to discuss the payment. That would have been the proportionate response in the circumstances. It should have done this by, for example, directing him to the in-app chat to discuss the payment further.

If Revolut had provided a warning of the type described, would that have prevented the losses Mr G suffered from the second payment?

I'm satisfied Mr G's loss would have been prevented had the intervention I've described taken place.

I've taken account here of the fact Mr G was being coached by the scammer throughout, and that the scammer had remote access to Mr G's devices. It's also true Mr G was directed to misinform his account providers as to the purpose of his payments. He did so when Company L intervened. On two separate occasions he told Company L the payments were being made to his Revolut account because he wanted to use that account when he went on holiday.

Whilst that was clearly not true, the fact Mr G misinformed Company L doesn't mean the scam couldn't have been prevented. Firms like Company L and Revolut ought to know that consumers will often be coached by scammers and that interventions need to be tailored and structured to mitigate against such coaching.

Company L challenged Mr G's explanation at the second time it intervened. It wasn't satisfied with the answers given and so required him to attend branch. When he did, the scam was revealed.

I appreciate Revolut doesn't have branches. But then it must ensure its interventions can carry a similar level of impact and effectiveness. That would likely mean more robust questioning within the in-app chat function. And given the scammer's spell was broken with one firm, I've no reason to doubt it would have been broken with another, had it properly intervened.

I'm also conscious of the fact that Revolut ought to have known the payments were being made to a cryptocurrency platform. Company L didn't know that, instead only seeing the money going to an EMI account in Mr G's own name. But it was still able to recognise the scam risk and successfully intervene. So Revolut, armed with more information about the risks present, ought to have done a better job.

Is it fair and reasonable for Revolut to be held responsible for Mr G's loss?

In reaching my decision about what is fair and reasonable, I have taken into account that Mr G purchased cryptocurrency which credited an e-wallet held in his own name, rather than making a payment directly to the fraudsters. So, he remained in control of his money after he made the payments from his Revolut account, and it took further steps before the money was lost to the fraudsters.

I have carefully considered Revolut's view that in a multi-stage fraud, a complaint should be properly considered only against either the firm that is a) the 'point of loss' – the last point at which the money (or cryptocurrency) remains under the victim's control; or b) the origin of the funds – that is the account in which the funds were prior to the scam commencing. It says it is (in this case and others) merely an intermediate link – being neither the origin of the funds nor the point of loss and it is therefore irrational to hold it responsible for any loss.

In reaching my decision, I have taken into account that the payments were made to another financial business (a cryptocurrency exchange) and that the payments that funded the scam were made from other accounts at regulated financial businesses.

But as I've set out above, I think that Revolut still should have recognised that Mr G might have been at risk of financial harm from fraud when they made the second payment, and in those circumstances Revolut should have made further enquiries about the payment before processing it. If it had done that, I am satisfied it would have prevented the losses Mr G suffered. The fact that the money used to fund the scam came from elsewhere and wasn't lost at the point it was transferred to Mr G's own account does not alter that fact and I think Revolut can fairly be held responsible for Mr G's loss in such circumstances. I don't think there is any point of law or principle that says that a complaint should only be considered against either the firm that is the origin of the funds or the point of loss.

I've also considered that Mr G has only complained against Revolut. I accept that it's possible that other firms might also have missed the opportunity to intervene or failed to act fairly and reasonably in some other way, and Mr G could instead, or in addition, have sought to complain against those firms. But Mr G has not chosen to do that and ultimately, I cannot compel them to. In those circumstances, I can only make an award against Revolut.

I'm also not persuaded it would be fair to reduce Mr G's compensation in circumstances where: the consumer has only complained about one respondent from which they are entitled to recover their losses in full; has not complained against the other firm (and so is unlikely to recover any amounts apportioned to that firm); and where it is appropriate to hold a business such as Revolut responsible (that could have prevented the loss and is responsible for failing to do so). That isn't, to my mind, wrong in law or irrational but reflects the facts of the case and my view of the fair and reasonable position.

Ultimately, I must consider the complaint that has been referred to me (not those which haven't been or couldn't be referred to me) and for the reasons I have set out above, I am satisfied that it would be fair to hold Revolut responsible for Mr G's loss from the second payment.

Should Mr G bear any responsibility for their losses?

In considering this point, I've taken into account what the law says about contributory negligence as well as what's fair and reasonable in the circumstances of this complaint.

From what Mr G has said, he placed a good deal of faith in the 'televised interview' he saw which endorsed cryptocurrency and Company V.

I can't be sure what Mr G saw exactly. It seems unlikely there was a televised interview in the way he's described. That's not to say I disbelieve what he's said. But what we do know, is that there have been convincing fakes which appear to be such interviews, whether that be in the form of doctored stills or edited video. I can see why he would have found such an endorsement to be particularly compelling.

I can also understand why Mr G would have found a professional website and personalised trading platform convincing too. All that he was seeing appeared to be an accurate representation of what the scammer was telling him.

In making these findings, I have taken account of Mr G's age and his technology literacy. He's described the latter as poor himself. And his interactions with Revolut do reflect that too, where he clearly had difficulty in using the app to report the scam (which led to Revolut not fully considering his complaint). And so I think these factors can fairly and reasonably be taken into account in assessing the reasonableness of his actions, and just why he was so convinced all was genuine.

I balance his own actions against those of Revolut, the professional in the relationship, and the party that ought fairly and reasonably to have an in-depth knowledge of scams and how to prevent them. And, in such circumstances, I don't find it would be fair and reasonable to apply a deduction to the compensation Mr G is due.

Putting things right

On Mr G's acceptance, and further to the consideration of any further information and evidence, Revolut should:

- *Refund Mr G's losses to the scam from payment two onwards;*
- *Pay interest on that sum at 8% simple, calculated from the date of loss to the date of settlement.*

My provisional decision

I intend to uphold this complaint against Revolut Ltd.

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 set out in detail why I intended to uphold the complaint in my PD, included above. As there have been no material submissions or comments made since the PD, I see no reason to depart from the findings set out therein.

The complaint is then to be upheld, with Revolut to pay the redress I've set out below.

Putting things right

On Mr G's acceptance Revolut should:

- Refund Mr G's losses to the scam from payment two onwards;
- Pay interest on that sum at 8% simple, calculated from the date of loss to the date of settlement.

My final decision

I uphold this 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 25 June 2025.

Ben Murray
Ombudsman