

The complaint

Mr C complains that Revolut Ltd won't reimburse him after he fell victim to an investment scam.

Mr C is professionally represented in bringing his complaint, but for ease of reading, I'll refer to all submissions as being made by Mr C directly.

What happened

On 28 May 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 C has explained that in around May 2023, he was interested in investing funds he had received from an inheritance. Having heard about cryptocurrency, he began researching online and found an advertisement from what appeared to be a well-known public figure recommending Ethereum. Mr C found an advert for one firm that took his interest, so he left his details on its website to be contacted. Mr C was contacted shortly after by an individual claiming to be a fund manager. Unfortunately, unknown to Mr C at the time, he was in fact a fraudster.

Mr C communicated with the fraudster both by phone and instant messaging. He was advised to open an account on a scam platform, a cryptocurrency wallet and also a Revolut account. Mr C made payments from his Revolut account to the cryptocurrency wallet, and then on to what he believed was the trading platform, but was actually sent directly to the fraudsters. Mr C initially sent £50 to test how the process worked, but after seeing his money appearing to increase in value, made further payments towards the scam. The table below shows all payments (both successful and unsuccessful) made towards the scam, as well as one withdrawal:

Payment number	Date/time	Payment method	Value	Further information
1	09/06/2023 10:49	Card payment to cryptocurrency	£50	
2	12/06/2023 21:18	Card payment to cryptocurrency	£1,000	Reverted
3	12/06/2023 21:30	Card payment to cryptocurrency	£1,000	Reverted
4	12/06/2023 21:35	Card payment to cryptocurrency	£500	Reverted
5	13/06/2023 08:22	Card payment to cryptocurrency	£500	Reverted
6	13/06/2023 08:27	Card payment to cryptocurrency	£500	
7	13/06/2023 08:33	Card payment to cryptocurrency	£500	
	30/06/2023 13:08		+£259.67	Credit received from scam
8	19/07/2023 18:40	Card payment to cryptocurrency	£900	
	17/08/2023 10:27		+£3,450	Personal loan sum received
9	21/08/2023 10:46	Card payment to cryptocurrency	£3,450	Declined
10	21/08/2023 10:48	Card payment to cryptocurrency	£3,450	Declined
11	21/08/2023 11:04	Card payment to cryptocurrency	£3,450	Declined
12	21/08/2023 11:05	Card payment to cryptocurrency	£3,450	Declined
13	21/08/2023 11:06	Card payment to cryptocurrency	£3,450	Declined
14	21/08/2023 19:13	Payment to account in customer's name	£20.08	
15	21/08/2023	Transfer to own	£3,430	Declined

	19:28	account		
16	28/08/2023 11:12	Transfer to own account	£3,400	Failed
17	30/08/2023 10:18	Transfer to own account	£3,400	Failed
18	30/08/2023 15:02	Card payment to cryptocurrency	£250	
19	31/08/2023 11:18	Transfer to third party	£3,250	Failed
20	31/08/2023 11:37	Transfer to cryptocurrency	£3,250	Declined
21	31/08/2023 11:45	Transfer to cryptocurrency	£3,250	Declined
22	31/08/2023 11:56	Transfer to cryptocurrency	£3,250	Declined
23	04/09/2023 11:45	Exchange to cryptocurrency in account	£3,250	
24	05/09/2023 10:11	Bitcoin withdrawal	0.07669620 BTC	Failed
25	05/09/2023 12:31	Bitcoin withdrawal	0.07669620 BTC	
26	05/09/2023 13:34	Exchange to cryptocurrency in account	£39	
27	05/09/2023 13:36	Exchange to cryptocurrency in account	£15	
28	05/09/2023 13:55	Bitcoin withdrawal	0.01975147 BTC	
29	05/09/2023 23:02	Exchange to cryptocurrency in account	£37	
30	06/09/2023 16:08	Bitcoin withdrawal	0.06053889	Failed
31	06/09/2023	Bitcoin withdrawal	0.6054748	Left BTC balance at zero

After these payments, Mr C attempted to make a larger withdrawal but was unable to do so. The fraudster became unreachable and the trading platform was no longer available. At this point Mr C realised he'd fallen victim to a scam and contacted Revolut to raise a claim.

Revolut considered Mr C's claim but didn't think it was liable to reimburse him. It said it attempted to raise a chargeback on card payments but these were unsuccessful.

Mr C remained unhappy and referred his complaint to our service.

An investigator looked into Mr C's complaint and upheld it in part. She said that Revolut ought to have identified Mr C was at risk from financial harm from fraud based on his account activity and questioned him during payments 9-13, rather than declining his payments. She considered that had it done so, the scam would've come to light, particularly as Mr C had been honest with Revolut about what he was doing in an in-app chat in August 2023.

The investigator therefore considered Revolut should be held partially responsible for Mr C's losses from the successful payment 14 onwards. However, she also thought Mr C could've done more to prevent his losses and therefore recommended liability be shared 50/50 between the two parties.

Mr C agreed with the investigator's opinion but Revolut didn't. To summarise, it said:

- These were self-to-self payments, whereby Mr C sent the majority of funds to a beneficiary account owned and controlled by him. Therefore the fraudulent activity did not occur on Mr C's Revolut account, but when he subsequently lost control of his funds from another account.*
- Revolut is an e-money institute (EMI) and not a bank. Payments made were not out of character with the typical way in which an e-money account is used.*
- Our service's recent reliance on a case between Portal Financial Services LLP and our service is misconceived and amounts to a legal error.*
- It is entirely relevant to consider possible other bank interventions, as the funds that originated with Revolut came from Mr C's own external bank account.*

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

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 C 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".

In this respect, section 20 of the terms and conditions said:

"20. When we will refuse or delay a payment

We must refuse to make a payment or delay a payment (including inbound and outbound payments) in the following circumstances:

- 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 C and the Payment Services Regulations to carry out their instructions promptly, except in the circumstances expressly set out in its contract, which included where regulatory requirements meant it needed to carry out further checks.

I am satisfied that, to comply with regulatory requirements (including the Financial Conduct Authority's "Consumer Duty", which requires financial services firms to act to deliver good outcomes for their customers) Revolut should by August 2023 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.

So, Revolut's standard contractual terms produced a result that limited the situations where it could delay or refuse a payment – so far as is relevant to this complaint – to those where applicable regulations demanded that it do so, or that it make further checks before proceeding with the payment. In those cases, it became obliged to refuse or delay the payment. And, I'm satisfied that those regulatory requirements included adhering to the FCA's Consumer Duty.

The Consumer Duty – as I explain below – requires firms to act to deliver good outcomes for consumers.

Whilst the Consumer Duty does not mean that customers will always be protected from bad outcomes, Revolut was required act to avoid foreseeable harm by, for example, operating adequate systems to detect and prevent fraud. The Consumer Duty is therefore an example of a regulatory requirement that could, by virtue of the express terms of the contract and depending on the circumstances, oblige Revolut to refuse or delay a payment notwithstanding the starting position at law described in Philipp.

I have taken both the starting position at law and the express terms of Revolut's contract into account when deciding what is fair and reasonable. I am also mindful that in practice, whilst its terms and conditions referred to both refusal and delay, the card payment system rules meant that Revolut could not in practice delay a card payment, it could only decline ('refuse') the payment.

But the basis on which I am required to decide complaints is broader than the simple application of contractual terms and the regulatory requirements referenced in those contractual terms. I must determine the complaint by reference to what is, in my opinion, fair and reasonable in all the circumstances of the case (DISP 3.6.1R) taking into account the considerations set out at DISP 3.6.4R:

Whilst the relevant regulations and law (including the law of contract) are both things I must take into account in deciding this complaint, I'm also obliged to take into account regulator's guidance and standards, relevant codes of practice and, where appropriate, what I consider to have been good industry practice at the relevant time: see DISP 3.6.4R. So, in addition to taking into account the legal position created by Revolut's standard contractual terms, I also must have regard to these other matters in reaching my decision.

Looking at what is fair and reasonable on the basis set out at DISP 3.6.4R, I consider that Revolut should in August 2023 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.

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;¹*
- 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.*

For example, it is my understanding that in August 2023, Revolut, whereby if it identified a scam risk associated with a card payment through its automated systems, could (and sometimes did) initially decline to make that payment, in order to ask some additional questions (for example through its in-app chat).

¹ 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/

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).*
- *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 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 Code², 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).*
- *Since 31 July 2023, under the FCA’s Consumer Duty³, regulated firms (like Revolut) must act to deliver good outcomes for customers (Principle 12) and must avoid causing foreseeable harm to retail customers (PRIN 2A.2.8R). Avoiding foreseeable harm includes ensuring all aspects of the design, terms, marketing, sale of and support for its products avoid causing foreseeable harm (PRIN 2A.2.10G). One example of foreseeable harm given by the FCA in its final non-handbook guidance on the application of the duty was “consumers becoming victims to scams relating to their financial products for example, due to a firm’s inadequate systems to detect/prevent scams or inadequate processes to design, test, tailor and monitor the effectiveness of scam warning messages presented to customers”⁴.*
- *Revolut should also have been aware of the increase in multi-stage fraud, particularly*

² BSI: PAS 17271: 2017” Protecting customers from financial harm as result of fraud or financial abuse”

³ Prior to the Consumer Duty, FCA regulated firms were required to “pay due regard to the interests of its customers and treat them fairly.” (FCA Principle for Businesses 6). As from 31 July 2023 the Consumer Duty applies to all open products and services.

⁴ The Consumer Duty Finalised Guidance FG 22/5 (Paragraph 5.23)

involving cryptocurrency⁵ 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.

- The main card networks, Visa and Mastercard, don't allow for a delay between receipt of a payment instruction and its acceptance: the card issuer has to choose straight away whether to accept or refuse the payment. They also place certain restrictions on their card issuers' right to decline payment instructions. The essential effect of these restrictions is to prevent indiscriminate refusal of whole classes of transaction, such as by location. The network rules did not, however, prevent card issuers from declining particular payment instructions from a customer, based on a perceived risk of fraud that arose from that customer's pattern of usage. So it was open to Revolut to decline card payments where it suspected fraud, as indeed Revolut does in practice (see above).*

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 August 2023 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;*
- 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 – (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.*

Whilst I am required to take into account the matters set out at DISP 3.6.4R when deciding what is fair and reasonable, I am satisfied that to comply with the regulatory requirements that were in place in August 2023, Revolut should in any event have taken these steps.

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

⁵ Keeping abreast of changes in fraudulent practices and responding to these is recognised as key in the battle against financial crime: see, for example, paragraph 4.5 of the BSI Code and PRIN 2A.2.10(4)G.

It isn't in dispute that Mr C has fallen victim to a cruel scam here, nor that he authorised the payments he made by card payments to his cryptocurrency wallet (from where that cryptocurrency was subsequently transferred to the scammer) and by cryptocurrency withdrawal.

Whilst I have set out in detail in this decision the circumstances which led Mr C to make the payments using his Revolut account and the process by which that money ultimately fell into the hands of the fraudster, I am mindful that, at that time, Revolut had much less information available to it upon which to discern whether any of the payments presented an increased risk that Mr C might be the victim of a scam.

I'm aware that cryptocurrency exchanges generally stipulate that the card used to purchase cryptocurrency at its exchange must be held in the name of the account holder, as must the account used to receive cash payments from the exchange. Revolut would likely have been aware of this fact too. So, it could have reasonably assumed that all successful card payments being made here to cryptocurrency platforms would be credited to a cryptocurrency wallet held in Mr C's name.

By August 2023, firms like Revolut had been aware of the risk of multi-stage scams involving cryptocurrency for some time. Scams involving cryptocurrency have increased over time. The FCA and Action Fraud published warnings about cryptocurrency scams in mid-2018 and figures published by the latter show that losses suffered to cryptocurrency scams have continued to increase since. They reached record levels in 2022. During that time, cryptocurrency was typically allowed to be purchased through many high street banks with few restrictions.

By the end of 2022, however, many of the high street banks had taken steps to either limit their customer's ability to purchase cryptocurrency using their bank accounts or increase friction in relation to cryptocurrency related payments, owing to the elevated risk associated with such transactions. And by August 2023, further restrictions were in place. This left a smaller number of payment service providers, including Revolut, that allowed customers to use their accounts to purchase cryptocurrency with few restrictions. These restrictions – and the reasons for them – would have been well known across the industry.

I recognise that, as a result of the actions of other payment service providers, many customers who wish to purchase cryptocurrency for legitimate purposes will be more likely to use the services of an EMI, such as Revolut. And I'm also mindful that a significant majority of cryptocurrency purchases made using a Revolut account will be legitimate and not related to any kind of fraud (as Revolut has told our service). However, our service has also seen numerous examples of consumers being directed by fraudsters to use Revolut accounts in order to facilitate the movement of the victim's money from their high street bank account to a cryptocurrency provider, a fact that Revolut is aware of.

So, taking into account all of the above I am satisfied that by the end of 2022, prior to the payments Mr C made towards the scam, Revolut ought fairly and reasonably to have recognised that its customers could be at an increased risk of fraud when using its services to purchase cryptocurrency, notwithstanding that the payment would often be made to a cryptocurrency wallet in the consumer's own name.

To be clear, I'm not suggesting as Revolut argues that, as a general principle (under the Consumer Duty or otherwise), Revolut should have more concern about payments being made to a customer's own account than those which are being made to third party payees. As I've set out in some detail above, it is the specific risk associated with cryptocurrency in August 2023 when I'm suggesting intervention ought to have occurred that, in some circumstances, should have caused Revolut to consider transactions to cryptocurrency

providers as carrying an increased risk of fraud and the associated harm.

In those circumstances, as a matter of what I consider to have been fair and reasonable, good practice and to comply with regulatory requirements (including the Consumer Duty), Revolut should have had appropriate systems for making checks and delivering warnings before it processed such payments. And as I have explained Revolut was also required by the terms of its contract to refuse or delay payments where regulatory requirements meant it needed to carry out further checks.

Taking all of the above into account, and in light of the increase in multi-stage fraud, particularly involving cryptocurrency, I don't think that the fact most of the payments in this case were going to an account held in Mr C's own name should have led Revolut to believe there wasn't a risk of fraud.

So I've gone onto consider, taking into account what Revolut knew about the payments, at what point, if any, it ought to have identified that Mr C might be at a heightened risk of fraud that merited its intervention.

I think Revolut should have identified that payments 1 to 8 were going to a cryptocurrency provider (the merchant is a well-known cryptocurrency provider), but they were very low in value, and I don't think Revolut should reasonably have suspected that they might be part of a scam.

Payment 9 represented a clear uplift in payment value and again, was made to a known cryptocurrency platform. Given the shift in payment value, as well as what Revolut knew about the payment destination, I think that the circumstances should have led Revolut to consider that Mr C was at heightened risk of financial harm from fraud. In line with good industry practice and regulatory requirements (in particular the Consumer Duty), I am satisfied that it is fair and reasonable to conclude that Revolut should have warned its customer before this payment went ahead.

To be clear, I do not suggest that Revolut should provide a warning for every payment made to cryptocurrency. Instead, as I've explained, I think it was a combination of the characteristics of this payment (combined with those which came before it, and the fact the payment went to a cryptocurrency provider) which ought to have prompted a warning.

What did Revolut do to warn Mr C?

I can see that when Mr C's payments on 21 August were declined by Revolut, Mr C contacted Revolut via in-app chat to question why. The response he received was:

"I can see that you're facing an issue with a declined payment. I'm afraid it was declined due to its potential high-risk nature. Let me just have a closer look at it and I'll be right back..."

Right, so firstly we'd like to warn you that there's been an increase in scams targeting crypto investors where customers move their funds to wallets they don't control. Fraudsters show victims fake investment gains, but the scam only materialises when you attempt to withdraw your funds.

You may always move your funds through a bank transfer if it's supported by the merchant..."

Mr C responded that he had been dealing with the company for a few months and everything is ok, and that he had also taken funds out. Mr C confirmed he'd spoken to the finance manager and various customer services staff.

Revolut responded by saying:

“...Unfortunately, we’re unauthorised to enable high-risk transactions as that would defy the automated security system’s vigilance, potentially risking our user’s safety.”

From the in-app chat, it also appears that when Revolut blocked his payments on 31 August 2023, Mr C may have chosen to get some additional guidance from Revolut on the payment attempt. Revolut stated:

‘We’ve temporarily frozen this transaction due to suspicions of scam/fraud. You have indicated that you are making a payment for an investment in cryptocurrency. We believe that transfer is suspicious and there is a high probability that this payment is a scam. You risk losing money we may not be able to recover. Is the recipient pressuring you to act quickly at risk of missing out on an investment opportunity?’

Mr C confirmed he wasn’t and Revolut then asked some further questions about the investment. However Mr C never responded to these and, from his transaction history, it appears he instead transferred funds to cryptocurrency by other means a few days later.

Revolut has said that when Mr C attempted to make a cryptocurrency withdrawal, it also issued a warning, confirming that such withdrawals are irreversible, can’t be recovered and that there can be transmission delays.

While the advisors in the in-app chat provided some context to investment scams, such as fraudsters using pressure tactics, and sending funds to wallets outside of the customer’s control, I don’t think these warnings were sufficient in bringing the scam to life for Mr C, or for Revolut to determine whether he was at risk. I therefore think Revolut ought to have done more to protect Mr C from financial harm from fraud.

What kind of warning should Revolut have provided?

I’ve thought carefully about what a proportionate warning in light of the risk presented would be in these circumstances. In doing so, I’ve taken into account that many payments that look very similar to this one 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 payment 9 was attempted (the point at which I consider there was sufficient cause to intervene), requires firms to act to deliver good outcomes for consumers including acting to avoid foreseeable harm. In practice this includes maintaining adequate systems to detect and prevent scams and to design, test, tailor and monitor the effectiveness of scam warning messages presented to customers.

I’m mindful that firms like Revolut have had warnings in place for some time. It, along with other firms, has developed those warnings to recognise both the importance of identifying the specific scam risk in a payment journey and of ensuring that consumers interact with the warning.

In light of the above, I think that by August 2023, when these payments took place, Revolut should 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 for both APP and card payments. I understand in relation to Faster Payments it already had systems in place that enabled it to provide warnings in a manner that is very similar to the process I’ve described.

I accept that any such system relies on the accuracy of any information provided by the customer and cannot reasonably cover off every circumstance. But I consider that by August 2023, on identifying a heightened scam risk, a firm such as Revolut should have taken reasonable steps to attempt to identify the specific scam risk – for example by seeking further information about the nature of the payment to enable it to provide more tailored warnings.

In this case, Revolut knew that the payment 9 was being made to a cryptocurrency provider and its systems ought to have factored that information into the warning it gave. Revolut should – for example by asking a series of automated questions designed to narrow down the type of cryptocurrency related scam risk associated with the payment Mr C was making – have provided a scam warning tailored to the likely cryptocurrency related scam Mr C was at risk from.

Once that risk had been established, it should have provided a warning which was tailored to that risk and the answers Mr C gave. For example, in this case, Mr C was falling victim to an investment scam, so I'd expect any such warning to have covered off key features of such a scam, such as the use of an 'account manager', advertisement of the opportunity by social media, regularly with celebrity endorsements, initial small investments that quickly rise in value, and small returns to add to the scam's legitimacy.

I acknowledge that any such warning relies on the customer answering questions honestly and openly, however, Mr C was open with Revolut about making payments towards an investment, as well as having a finance manager, so I find it most likely he would have been honest, if questioned, about the purpose for payments by Revolut.

Additionally, while Revolut did attempt to question Mr C on later payments, it seems there was no obligation on him to answer and he was able to circumvent questions by simply paying from his account in other ways. I think as Revolut had identified fraud concerns and hadn't established what risk there was, Mr C shouldn't have been able to access cryptocurrency via other clear channels, as he was able to do here.

If Revolut had provided a warning of the type described, would that have prevented the losses Mr C suffered from payment 9 onwards?

The scam Mr C fell victim to included many of the typical hallmarks we see for cryptocurrency investment scams, and so I think if Revolut had detailed elements of the scam as highlighted above, this would have resonated with Mr C. Unfortunately, while Revolut touched on cryptocurrency scams, I think the warnings were simply not detailed or impactful enough to have had any meaningful influence here on Mr C's actions, that a more detailed warning would have provided.

Mr C had already researched the scam investment firm and found an online FCA warning, which he had questioned the fraudster on, but unfortunately the fraudster had been able to reassure him. I think if Revolut had also provided a warning tailored to his circumstances, this would've compiled to have given Mr C enough cause for concern and I don't think he would have proceeded with further payments.

Revolut has questioned what steps other banks took when Mr C transferred funds inwards to his newly established Revolut account. I'm aware Mr C did have a call with another of his banking providers, where he wasn't as honest as with Revolut about the payment he was making – suggesting it was to buy equipment. I've thought about this when considering what Mr C's actions to a warning from Revolut would've been, but they don't lead me to conclude differently to what I've set out above. As Revolut was the final destination for Mr C's funds before transferring them on to cryptocurrency, it had greater visibility over what Mr C was

doing – and it seems Mr C was more honest as a result with Revolut about his intention for his funds than he was with his external banking provider. I therefore think the interactions he had with Revolut on its in-app chat are a far clearer indicator of how any more detailed warnings would have been answered than external calls.

Overall, I think that a warning provided by Revolut would have given the perspective Mr C needed and he would more likely than not have concluded that the investment was not genuine. In those circumstances I think, he's likely to have decided not to go ahead with payments 9 onwards, had such a warning been given.

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

In reaching my decision about what is fair and reasonable, I have taken into account that, for the majority of payments, Mr C purchased cryptocurrency which credited an e-wallet held in his own name, rather than making a payment directly to the fraudsters. So the funds passed through an additional financial institution before losses were incurred.

I have carefully considered Revolut's view that in a multi-stage fraud, the fraudulent activity didn't occur on the Revolut account..

But as I've set out in some detail above, I think that Revolut still should have recognised that Mr C might have been at risk of financial harm from fraud when he attempted the ninth payment towards the scam, and in those circumstances it should have intervened. Had it done so, I am satisfied it would have prevented the losses Mr C suffered. The fact that the money wasn't lost at the point it was transferred to Mr C's own cryptocurrency account does not alter that fact and I think Revolut can fairly be held responsible for Mr C'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 C has only complained against Revolut about the money he lost from this account. 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 C could instead, or in addition, have sought to complain against those firms. But Mr C has not chosen to do that and ultimately, I cannot compel him to. In those circumstances, I can only make an award against Revolut.

I'm also not persuaded it would be fair to reduce Mr C's compensation in circumstances where Mr C has chosen to only complain about Revolut 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 C's loss from the ninth payment he attempted towards the scam (subject to a deduction for Mr C's own contribution which I will consider below).

This responsibility to reimburse Mr C would, of course, only apply to those payments that were successful, and not those that failed or were declined. Mr C has also been unable to evidence the final destination of payment 14 that he made, so I would not consider it reasonable for this to be included in his losses.

While we do not have jurisdiction to review the cryptocurrency withdrawals Mr C made,

these are a consequential loss of the scam Mr C fell victim to and should also be included within Mr C's redress.

Revolut has addressed an Administrative Court judgment, which was referred to in a decision on a separate complaint. As I have not referred to or relied on that judgment in reaching my conclusion in relation to the losses for which I consider it fair and reasonable to hold Revolut responsible, I do not intend to comment on it. I note that Revolut says that it has not asked me to analyse how damages would be apportioned in a hypothetical civil action but, rather, it is asking me to consider all of the facts of the case before me when including the role of all the other financial institutions involved. As I've already covered above why I consider Revolut can be considered responsible for Mr C's losses (independently of any other firms party to the chain of payments that made up the scam), I have nothing further to add on this particular point.

Should Mr C bear any responsibility for his 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.

I recognise that there were aspects to this scam that would have appeared convincing. Mr C was in regular direct contact with an individual he believed was supporting his investment and had oversight of a legitimate appearing trading platform.

However, I've considered that Mr C had also attempted to independently research the scam investment firm – and had found negative reviews and a FCA warning. While Mr C discussed these with the fraudster, and he was ultimately convinced enough by the answer he was provided with to continue, I think Mr C ought reasonably to have sought advice from someone more neutral, rather than the scam firm itself, before choosing to overlook this evidence.

Overall I've concluded, on balance, that Revolut can fairly reduce the amount it pays to Mr C because of his role in what happened. Weighing the fault that I've found on both sides, I think a fair deduction is 50%.

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

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

Payments were made either by card or withdrawals, to a cryptocurrency provider and that cryptocurrency was sent on to the fraudsters. So, Revolut would not have been able to recover the funds.

In addition, I don't consider that a chargeback would have had any prospect of success given there's no dispute that the cryptocurrency platform performed its given role in providing cryptocurrency in return for payment in sterling.

Putting things right

Overall I think a fair outcome in this complaint is for Mr C and Revolut to be equally liable for losses Mr C incurred from his Revolut account from payment 9 onwards (minus the payment of £20.08 which Mr C hasn't sufficiently evidenced as a loss) and for Revolut to reimburse him 50% of these losses, plus interest from the date of these payments until the date of settlement. This, in essence, means the first successful payment Revolut is partially responsible for is payment 18.

My provisional decision

My provisional decision is that I uphold Mr C's complaint in part. I consider Revolut should pay:

- *50% of Mr C's successful payments lost towards the scam from payment 18 onwards. For cryptocurrency withdrawals, Revolut should refund 50% of the withdrawal using its value in GBP on the day it was sent, plus fees;*
- *Apply 8% simple interest from the date of each payment until the date of settlement.*

Mr C accepted my provisional decision. Revolut confirmed it had nothing to add and would await my final decision.

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.

As neither party has provided any further evidence in relation to this complaint, I see no reason to depart from my earlier findings on what is a fair and reasonable resolution. My decision therefore remains the same as in my provisional decision.

My final decision

My final decision is that I uphold Mr C's complaint in part. I direct Revolut to pay:

- 50% of Mr C's successful payments lost towards the scam from payment 18 onwards. For cryptocurrency withdrawals, Revolut should refund 50% of the withdrawal using its value in GBP on the day it was sent, plus fees;
- Apply 8% simple interest from the date of each payment until the date of settlement.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 21 July 2025.

Kirsty Upton
Ombudsman