

The complaint

Mr R is unhappy that Revolut Ltd (“Revolut”) didn’t reimburse him after he fell victim to a scam.

What happened

I issued a provisional decision for this complaint on 10 June 2025. In it I set out the background and my proposed findings. I’ve included a copy of the provisional decision at the end of this final decision, in italics. I won’t then repeat all of what was said here.

Both parties have now had an opportunity to respond to the provisional decision. Mr R accepted the outcome. Revolut responded, it confirmed receipt of the provisional decision and said that it had nothing further to add. As all parties have now responded, I’m going on to issue 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.

Having done so, I’m upholding the complaint in line with my provisional findings.

Mr R accepted those findings, and Revolut confirmed that it had nothing further to add. As there is no further evidence or arguments for me to consider, I see no reason to depart from the findings and reasoning I’ve already explained in provisional decision.

Putting things right

For the reasons explained, I now ask Revolut Ltd to:

- refund Mr R £122,607.26 (being 50% of the sum of the payments made from transaction four in the table above, less any money Mr R was able to withdraw from his digital wallet).
- pay interest on this amount calculated at 8% simple per year from the date of loss to the date of settlement (if Revolut Ltd deducts tax from this interest, it should provide Mr R with the appropriate tax deduction certificate).

My final decision

My final decision is that I uphold this complaint in part.

Under the rules of the Financial Ombudsman Service, I’m required to ask Mr R to accept or reject my decision before 22 July 2025.

Provisional Decision

The complaint

Mr R is unhappy that Revolut Ltd (“Revolut”) didn’t reimburse him after he fell victim to a scam.

What happened

The background to this complaint is well-known to both parties, so I won’t repeat it in detail here, but in summary, I understand it to be as follows.

In or around May 2022, Mr R saw an advertisement online for an investment opportunity. Mr R has said he conducted research into the company and was subsequently persuaded into parting with his funds and investing. But it turned out to be a scam.

Mr R initially made a small payment, from an account he held with another provider. In seeing this payment reflect on the balance of the investment platform he believed had been set up for him, and seemingly to have made a profit, he decided to invest more.

Mr R followed the fraudsters instructions in moving money, from other accounts and investments he held, into a Revolut account that appears to have been opened for the purposes of the scam. From here Mr R moved funds into a cryptocurrency account, with the funds then being moved into accounts that the fraudsters controlled.

The following transactions on Mr R’s Revolut account are relevant to this complaint;

1.	1 June 2022	£20.00	Faster Payment to Cryptocurrency account
2.	1 June 2022	£18.00	Returned from Digital Wallet
3.	1 June 2022	£4,700	Faster Payment to Cryptocurrency account
4.	8 June 2022	£15,000	Faster Payment to Cryptocurrency account
5.	28 June 2022	£1,183	Withdrawn from Digital Wallet
6.	28 June 2022	£20,000	Faster Payment to Cryptocurrency account
7.	29 June 2022	£750.48	Withdrawn from Digital Wallet
8.	2 July 2022	£107	Withdrawn from Digital Wallet
9.	3 July 2022	£22,000	Faster Payment to Cryptocurrency account
10.	5 July 2022	£432	Withdrawn from Digital Wallet
11.	8 July 2022	£35,000	Faster Payment to Cryptocurrency account
12.	10 July 2022	£54,500	Faster Payment to Cryptocurrency account
13.	11 July 2022	£26,000	Faster Payment to Cryptocurrency account
14.	12 July 2022	£34,000	Faster Payment to Cryptocurrency account
15.	26 July 2022	£12,001	Faster Payment to Cryptocurrency account
16.	27 July 2022	£8,001	Faster Payment to Cryptocurrency account
17.	3 August 2022	£825	Withdrawn from Digital Wallet
18.	16 August 2022	£2,100	Faster Payment to Cryptocurrency account
19.	18 August 2022	£19,910	Faster Payment to Cryptocurrency account

In total, Mr R sent £253,232 from his Revolut account. He was able to withdraw £3,315.48 from his digital wallet, which left him with an overall loss from his Revolut account of £249,934.52.

Mr R realised he’d been scammed when the fraudster asked for over £100,000 in fees when he tried to withdraw a large amount. When Mr R refused to make the payment, he was blocked from his investment account and contact with the fraudster ended.

Mr R raised the matter with Revolut, but it didn't agree to reimburse him. In summary, it said it had done everything it could to protect him in the circumstances and had warned Mr R on several occasions. It added that it had done everything it could to try and recover the money Mr R had lost.

Unhappy with Revolut's response, Mr R brought his complaint to this service. One of our Investigators looked into things and thought the complaint should be upheld in part. In summary, it was our Investigator's view that Revolut should have recognised that Mr R could have been at a heightened risk of financial harm when he made the third payment to his cryptocurrency account (transaction four in the table above, the payment for £15,000 on 8 June 2022) and that it should have intervened and provided a tailored warning to Mr R about the payment. It was our Investigator's view that, had such an intervention taken place the scam could have been prevented, and Mr R wouldn't have lost his money from this point.

But he considered that Mr R should also share responsibility for the loss, as he thought he hadn't taken reasonable care to protect himself given some aspects of the investment ought to have given him cause for concern. Overall, our Investigator thought that Mr R and Revolut should share liability for some of the loss and that Revolut should refund Mr R 50% of his loss from transaction four in the table above onwards, along with interest.

Mr R accepted our Investigators view, but Revolut sent us detailed reasons for not doing so. In summary it stated:

- *Departures from the law must be acknowledged and explained. Revolut felt our service had at times incorrectly stated (expressly or impliedly), the duty owed by Revolut to its customers who have been the victims of scams. There were limited circumstances in which Revolut was obliged by law to reimburse victims of fraud. Given the recent consideration of the law in this area by the Supreme Court, and the comprehensive statutory scheme in place, any decision to rebalance the risk should be Parliament's (rather than ours).*
- *Revolut does not owe a duty to prevent fraud or scams. It is contractually and legally bound to execute valid payment instructions, with limited exceptions. Revolut recognised its obligations to have adequate procedures in place to counter the risks of further financial crime (and it does have those), but that duty doesn't go as far as requiring Revolut to detect and prevent all fraud.*
- *The reimbursement codes and rules do not generally apply. Revolut was not a signatory to the voluntary code that preceded the mandatory reimbursement rules, and the Payment Services Regulator (PSR) mandatory scheme wasn't in force at the time of these transactions (and isn't retrospective).*
- *These "self-to-self" transactions (ones sent to an account in Mr R's name) did not meet the definition of Authorised Push Payment (APP) fraud. For us to effectively apply the reimbursement rules to self-to-self transactions is an error in law. Revolut was also concerned it had been left "holding the baby", as we have concluded the third-party businesses (where funds are sent to) are outside of our jurisdiction to review, as they are not authorised, or the activity isn't regulated (particularly where funds are sent to accounts at cryptocurrency exchanges).*

As agreement couldn't be reached, the complaint has been passed to me for a decision.

What I've provisionally decided – and why

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

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 R 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 R 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

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).

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 EMIs 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 “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 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*

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.

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

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 R was at risk of financial harm from fraud?

It isn't in dispute that Mr R has fallen victim to a cruel scam here, nor that he authorised the disputed payments he made because of the scam.

I'm aware that Revolut had much less information available to it upon which to discern whether any of the payments presented an increased risk that Mr R might be the victim of a scam. I say this as Mr R set the Revolut account up shortly before making the payments, so Revolut didn't have any knowledge of his usual account usage to be able to identify if the scam payments were out of character. But that's not to say it was unable to identify if the transactions highlighted that Mr R may be at risk of financial harm.

I've considered the nature of the payments in the context of whether they ought to have appeared as suspicious in their nature to Revolut. I don't think the first two payments (transactions 1 and 3 in the table above) ought to have alerted Revolut that Mr R may have been at risk of financial harm. I say that as they were broadly in line with the purpose Mr R gave for opening the account and I don't think the value of the payments, in and of themselves, would have given Revolut cause for concern.

However, when a few days later, Mr R made the payment for £15,000 (transaction four in the table above) I'm persuaded a pattern had emerged that ought to have alerted Revolut to the risk. I say that because, even though he was again paying a legitimate cryptocurrency

exchange, this payment represented a significant uplift in value and meant Mr R had sent almost £20,000 within the space of just a few days.

So, I am satisfied that it is fair and reasonable to conclude that Revolut should have warned its customer before this payment went ahead.

What did Revolut do to warn Mr R?

Revolut says that when Mr R set up a new payee, for the first payment, it provided him with the following warning:

“Do you know and trust this payee?

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

In addition to this, Revolut say Mr R was informed that it may not be able to recover the funds if it later turned out that the beneficiary was fraudulent.

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 these ones will be entirely genuine. I’ve given due consideration to Revolut’s duty to make payments promptly, as well as what I consider to have been good industry practice at the time these payments were made.

Having thought carefully about the risk this payment presented, I think a proportionate response to that risk would be for Revolut to have attempted to establish the circumstances surrounding the payment before allowing it to debit Mr R’s account. I think it should have done this, for example, by directing Mr R to its in-app chat to discuss the payment further. The risks presented by that transfer were sufficiently great to warrant some bespoke questioning, rather than rely on anything automated.

If Revolut had provided a warning of the type described, would that have prevented the losses Mr R suffered from the payment for £15,000?

Had Revolut spoken to Mr R before allowing this payment to progress, I think, on balance, it’s more likely than not the scam would have been uncovered and further losses prevented.

I say that as there were key hallmarks of investment scams present in the circumstances of Mr R’s payments, such as being assisted by a broker/account manager, making an initial small deposit and seeing profit and then making frequent payments of increasing value, being asked to download remote access software and being offered profits and returns with seemingly little to no risk.

There’s no evidence to suggest Mr R was asked, or agreed to, disregard any warning provided by Revolut. And I note that I’ve also seen no evidence that Mr R was provided with warnings about investment scams by the firms from which the funds used for the scam appear to have originated.

I think during the conversation that should have happened, several concerning aspects would have likely come to light, given I’m persuaded Mr R would likely have shared what he was doing. Those include the fact he was being guided by a third-party broker, and told to

send the funds through Revolut before exchanging to cryptocurrency. As well as this, he seems to have seen a high return on his initial payment and had been asked to download remote access software. Though some aspects of the scam were convincing, and Mr R had seen some 'returns', Revolut would have been alive to the indicators of investment scams, and multistage fraud, by this point – including that scammers often allow withdrawals to entice further payments.

Additionally, there were several negative mentions online too, that were available at the time, about this particular investment that warned people this was a scam, which would have confirmed Revolut's suspicions.

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

In reaching my decision about what is fair and reasonable, I have taken into account that the payments Mr R made would seem to have been made to an account in his own name (before going to accounts controlled by the fraudsters) and that, at the point the funds left his Revolut account, he hadn't experienced any financial loss. But as I've set out in some detail above, I think that Revolut still should have recognised that he might have been at risk of financial harm from fraud when he made that payment, and in those circumstances it should have provided a tailored warning.

If it had taken those steps, I am satisfied it would have prevented the loss Mr R suffered from the £15,000 payment. The fact that the money used to fund the scam came from elsewhere and wasn't lost at the point it was transferred to his own account does not alter that fact and I think Revolut can fairly be held responsible for his 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 R 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 he could instead, or in addition, have sought to complain against those firms. But he's 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 his compensation in circumstances where: he has only complained about one respondent from which he is entitled to recover his 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 R's loss from the payment for £15,000 (subject to a deduction for his own contribution which I will consider below).

Revolut has also argued in submissions to our service that we are applying the provisions of the CRM Code to complaints against it, despite it not being a signatory and in circumstances where the CRM Code would not, in any case, apply. I do not seek to treat Revolut as if it were a signatory to the CRM Code. I've explained in some detail the basis on which I think, fairly and reasonably, Revolut ought to have identified that Mr R was at risk of financial harm from fraud and taken further steps before transaction four in the table above debited his account.

Should Mr R 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.

Mr R has already accepted the Investigator's opinion that any refund provided should be reduced to account for his own actions as part of the scam and as I agree with this point, I won't dwell on it, except to say that I think there were a number of things that ought to have led Mr R to proceed with more caution than he did.

I recognise that there were some relatively sophisticated aspects to this scam, not least a platform, which was used to access and manage the user's apparent profits/trades and I can understand how Mr R would have been reassured by receiving some funds back into his account.

But from the evidence Mr R has provided, regarding his communications with the fraudsters, it is hard to understand what persuaded him to invest such a large amount of money. But, given how much he was persuaded to invest, and how quickly, alongside the steps he took (in drawing funds out of other investments and savings accounts he held) to get as much money into the investment as he did, it seems more likely than not the returns were implausible and too good to be true.

I think this is supported by what Mr R saw after some of the early payments he made. Mr R has said that he was promised returns of 4% per annum, but from his early payments it appears, from communications that he had with the fraudsters, that he could see a profit of almost double that being made within a couple of weeks – which is an annualised increase of much nearer 100% and with the fraudster telling him the results were 'amazing'. The fees that Mr R was asked to pay, in excess of \$115,000, also suggests that they would have been in relation to a return of far higher than the 4% per annum that Mr R had initially been told.

But I can't see that Mr R questioned how such high levels of returns could be realised, rather he seems to have taken things at face value. I'm persuaded that what Mr R could see ought reasonably to have led him to ask for an explanation as to how such a return was possible. Mr R has also said that he was told he'd receive a refund if he didn't want to proceed with the investments. I think the suggestion of such returns, with no apparent risk is implausible to the point of being too good to be true.

Given the amount of money Mr R was intending to invest, at the point he was making this payment for £15,000, I think he ought to have proceeded with more caution than he did and carried out some further research/sought advice before proceeding. I'm mindful Mr R has said that he did carry out some checks before investing, but I'm not persuaded these checks went far enough. I say that as an online search does return information, from the time the payments were made, which highlights concerns about the legitimacy of the investment that was being offered. So I'm persuaded it wouldn't have taken much, by way of research, to have established that things might not be as they first seemed.

I might understand how in isolation any one of these things may not have prevented Mr R from proceeding. But when taken collectively I think there were sufficient red flags here that reasonably ought to have led Mr R to have acted far more cautiously than he did, especially so given the large sums he was willing to commit to the investment.

So, I think Mr R did have a role to play in what happened and I think that the amount Revolut should pay to him in compensation should fairly and reasonably be reduced to reflect that role. I think that a fair deduction is 50%.

Lastly, I've considered whether Revolut should have done more to try to recover Mr R's money. But as the payments went to his own cryptocurrency account, there wasn't anything more that Revolut could reasonably do there, as the money was subsequently moved onto fraudsters, so there would have been no prospect of Revolut recovering any of the money.

Putting things right

For the reasons explained, I'm minded to uphold this complaint in part and to ask Revolut Ltd to:

- refund Mr R £122,607.26 (being 50% of the sum of the payments made from transaction four in the table above, less any money Mr R was able to withdraw from his digital wallet).*
- pay interest on this amount calculated at 8% simple per year from the date of loss to the date of settlement (if Revolut Ltd deducts tax from this interest, it should provide Mr O (sic) with the appropriate tax deduction certificate).*

My provisional decision

My provisional decision is that I uphold this complaint in part.

Stephen Wise
Ombudsman