

The complaint

Mr H complains that Revolut Ltd hasn't protected him from losing money to a cryptocurrency investment scam.

What happened

The background to this complaint is well known to both parties, so I won't repeat everything here. In brief summary, Mr H has explained that from January to April 2023 he made 15 payments from his Revolut account totalling £126,185 as a result of what he thought was a legitimate investment with a company I'll call "C". Mr H subsequently realised he'd been scammed and got in touch with Revolut. Ultimately, Revolut didn't reimburse Mr H's lost funds, and Mr H referred his complaint about Revolut to us. As our Investigator couldn't resolve the matter informally, the case has been passed to me for a decision.

I sent Mr H and Revolut my provisional decision on 2 July 2025. Now both parties have responded, I'm ready to explain 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.

Mr H told us that he accepts my provisional decision. And Revolut responded and said after careful consideration of the points addressed in my provisional decision, it has no further submissions to make. So, in the absence of evidence or arguments persuading me otherwise, I've reached the same conclusions as in my provisional decision, and for the same reasons. I've decided to uphold this complaint in part. I've explained my reasons again below.

In broad terms, the starting position at law is that an Electronic Money Institution ("EMI") such as Revolut is expected to process payments and withdrawals that a customer authorises it to make, in accordance with The Payment Services Regulations (in this case the 2017 regulations) and the terms and conditions of the customer's account.

But, taking into account relevant law, regulators' rules and guidance, relevant codes of practice and what I consider to have been good industry practice at the time, I consider it fair and reasonable that Revolut should:

- have been monitoring accounts and any payments made or received to counter various risks, including preventing fraud and scams;
- have had systems in place to look out for unusual transactions or other signs that might indicate that its customers were at risk of fraud. This is particularly so given the increase in sophisticated fraud and scams in recent years, which firms are generally more familiar with than the average customer;
- in some circumstances, irrespective of the payment channel used, have taken additional steps, or made additional checks, or provided additional warnings, before processing a payment;

- have been mindful of – among other things – common scam scenarios, how fraudulent practices are evolving (including for example the common use of multi-stage fraud by scammers, including the use of payments to cryptocurrency accounts as a step to defraud consumers) and the different risks these can present to consumers, when deciding whether to intervene.

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

All the payments Mr H made from his Revolut account as a result of being scammed by C were identifiably to cryptocurrency providers. I'm aware that cryptocurrency exchanges like the ones Mr H paid 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 these payments would be credited to a cryptocurrency wallet held in Mr H's name.

By January to April 2023, when these transactions took place, 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 customers' 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 transactions¹. 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 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 H made in January to April 2023, 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, it is the specific risk associated with cryptocurrency in January to April 2023 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.

¹ See for example, Santander's limit of £1,000 per transaction and £3,000 in any 30-day rolling period introduced in November 2022.

NatWest Group, Barclays, Lloyds Banking Group and Santander had all introduced some restrictions on specific cryptocurrency exchanges by August 2021.

In those circumstances, as a matter of what I consider to have been fair and reasonable, good practice, and to comply with regulatory requirements, Revolut should have had appropriate systems for making checks and delivering warnings before it processed such payments. 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 the payments in this case were going to an account held in Mr H's name should have led Revolut to believe there wasn't a risk of fraud.

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

Having done so, I think that Revolut ought to have intervened at the point of Mr H's sixth payment made as a result of this scam by C (the £5,000 on 3 February 2023). And I think Revolut ought then to have escalated its intervention further at the point of Mr H's seventh payment made as a result of this scam by C (£15,000 on 7 February 2023) given the significant size of this payment and what I've already said, to check Mr H wasn't at risk of financial harm.

I note also that Mr H brought a separate complaint to us about Revolut about another scam (not involving C) that he fell victim to as a result of which he made payments from his Revolut account also in January and February 2023. Mr H was represented in that complaint by a different CMC compared to this present case. I note that this separate complaint settled between the parties on the Investigator's suggestion that Revolut ought to have effectively intervened on 6 February 2023. What I've said about when Revolut should have intervened in this complaint about the scam orchestrated by C doesn't rely on this but I do note that it is consistent with it.

What did Revolut do and what kind of warning should it have provided?

It's evident from the information provided by Revolut that Revolut did provide various scam information and warnings to Mr H throughout the journey of these scam payments being made, including tailored warnings in response to Mr H's answers to questions about the purpose of some of his payments. But what I cannot see here is that Revolut ever gave Mr H a warning specifically about the risks of cryptocurrency scams, given how prevalent they had become by the end of 2022.

Taking that into account, I think that Revolut ought – when Mr H instructed his sixth payment and escalating this to in-app human intervention when Mr H instructed his seventh payment for £15,000 identifiably to a cryptocurrency provider – to have provided, a warning specifically about the risks of cryptocurrency scams. I think that such a warning should have addressed the key risks and features of the most common cryptocurrency scams – cryptocurrency investment scams. The warning Revolut ought fairly and reasonably to have provided should have highlighted, in clear and understandable terms, the key features of common cryptocurrency investment scams, for example referring to: an advertisement on social media, promoted by a celebrity or public figure; an 'account manager', 'broker' or 'trader' acting on their behalf; the use of remote access software and a small initial deposit which quickly increases in value. 'Fees' becoming payable to initiate withdrawals that then don't fully materialise or are restricted or laborious would also be a common theme.

I recognise that a warning of this kind could not have covered off all scenarios. But I think it would have been a proportionate way for Revolut to minimise the risk of financial harm to Mr H.

If Revolut had provided a warning of the type described, would that have prevented the losses Mr H suffered?

I am persuaded that it's more likely than not that if Revolut had intervened appropriately when Mr H made these payments, that Mr H's loss from the seventh payment onwards would most likely have been avoided. In deciding this, I take on board that this would depend on the warning resonating with Mr H and him taking it on board and deciding not to proceed anyway. But, like I've said, Revolut knew these payments were for cryptocurrency. I'd reasonably expect Revolut to have been agile and dynamic in its responses to Mr H, and Revolut has previously said itself that its in-app chat is intended to be highly effective at uncovering scams. Such that I think Revolut's intervention here ought reasonably to have impactfully warned Mr H and raised his awareness to a number of concerning red flags. And this would be a lot of money for Mr H to lose, especially compared to the smaller amounts he'd so far 'invested' with C.

As our Investigator correctly explained, I can also confirm that we've not seen any evidence that the third-party payment service provider involved provided Mr H with impactful and relevant warnings which he ignored.

In circumstances like this, I need to make up my mind based on the balance of probabilities, and I think it's fair to say that had this happened as I think it should have, it's more likely than not that such appropriately impactful warnings from Revolut about cryptocurrency investment scams, and information about how he could protect himself from the risk of fraud, would have resonated with Mr H. He could have paused and looked more closely into the 'broker' or 'platform' before proceeding further, and made further enquiries into cryptocurrency scams. There was already, by this point, concerning information in the public domain about C. So whilst I acknowledge I can't be certain about things, I think it's more likely than not that a timely and impactful warning to Mr H from Revolut would most likely have caused him to take steps that would then have prevented his further losses to the scam from the seventh payment onwards.

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

I have taken into account Mr H remained in control of his money after making the payments from Revolut. It wasn't lost until he took further steps. But Revolut should still have recognised that Mr H was at risk of financial harm from fraud, made further enquiries and ultimately prevented Mr H's loss from the point of the £15,000 payment on 7 February 2023. I think Revolut can fairly be held responsible for Mr H's loss in such circumstances.

While I have considered all the facts of the case, including the role of other financial institutions involved, Mr H has chosen not to complain about/pursue a complaint further about any other firm and I cannot compel him to do so. And, I do not think it would be fair to reduce Mr H's compensation because he's only complained about one firm, as I consider that Revolut should have prevented the loss.

Should Mr H bear any responsibility for his losses?

I've thought about whether Mr H should bear any responsibility for the loss of the £116,644.77 I've said Revolut should have prevented (that's the total of payments seven to 15 less the ensuing credits totalling £1,720.23 Mr H received from the scam; the seventh is the first payment I think Revolut ought to have prevented; the 15th payment is the final payment Mr H made from his Revolut account to this scam). In doing so, I've considered

what the law says about contributory negligence as well as what's fair and reasonable in the circumstances of this complaint.

In this case, I don't think it's unfair to say Mr H wasn't as careful with his payments as he reasonably ought to have been. In particular, I don't think what our Investigator said and concluded about this was unreasonable. This was a lot of money to send to an investment Mr H hadn't fully researched adequately to know his money wasn't at risk, and Mr H reasonably ought to have been more careful in his interactions, research, and payments. I therefore agree with the Investigator's recommendation in this case that it's fair that Mr H shares responsibility for the loss with Revolut, such that Revolut should pay Mr H 50% of the £116,644.77 loss, and so £58,322.39.

Recovery of funds

For completeness, I've considered whether Revolut unreasonably failed to recover Mr H's payments after they were made. But in the circumstances of this case where the payments were made to crypto accounts in Mr H's name and then sent onto the scammers from there, before Mr H notified Revolut that he'd been scammed, there wouldn't reasonably have been anything Revolut could have done to recover these funds for Mr H. So I can't say Revolut unreasonably missed an opportunity to recover the funds.

Interest

I consider 8% simple interest per year fairly reflects the fact Mr H has been deprived of this money. So Revolut should also pay Mr H interest on the £58,322.39 from the date of loss to the date of settlement calculated at this rate.

My final decision

For the reasons explained, I uphold this complaint in part and I direct Revolut Ltd to pay Mr H:

- £58,322.39; plus
- interest on this amount calculated at 8% simple per year from the date of loss to the date of settlement. If Revolut deducts tax from this interest, then it should provide Mr H with the appropriate tax deduction certificate.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 13 August 2025.

Neil Bridge
Ombudsman