

THE COMPLAINT

Mr S holds/held an account with Revolut Ltd (“Revolut”).

Mr S’s complaint is about Revolut’s refusal to reimburse him money he says he lost due to a scam.

Mr S is represented by CEL in this matter. However, where appropriate, I will refer to Mr S solely in this decision for ease of reading.

WHAT HAPPENED

On 3 July 2025, I issued a provisional decision not upholding this complaint. I attach a copy of that provisional decision below – both for background information and to (if applicable) supplement my reasons in this final decision. I would invite the parties involved to re-read the provisional decision.

RESPONSES TO MY PROVISIONAL DECISION

Revolut did not respond to my provisional decision, but CEL did and rejected it. CEL stated, amongst other things:

“Revolut’s lack of sufficient intervention, particularly during the critical period of Payments 5 to 8, failed to prevent significant losses. Had Revolut provided tailored support, it is plausible that our client [Mr S] would have reconsidered his actions and the legitimacy of the investments ... The decision dismisses the notion of vulnerability, yet it is important to acknowledge that our client’s unfamiliarity with cryptocurrency and investment processes inherently increased his susceptibility to fraud.”

WHAT I HAVE 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 considered CEL’s response, I am of the view that it did not raise any points that my provisional decision did not address. Therefore, I repeat my provisional findings and find no reason to depart from them.

MY FINAL DECISION

For the reasons set out above, I do not uphold this complaint against Revolut Ltd.

Under the rules of the Financial Ombudsman Service, I’m required to ask Mr S to accept or reject my decision before 15 August 2025.

COPY OF PROVISIONAL DECISION DATED 3 JULY 2025

I have considered the relevant information about this complaint.

The deadline for both parties to provide any further comments or evidence for me to consider is 17 July 2025. Unless the information changes my mind, my final decision is likely to be along the following lines.

If I do not hear from Mr S, or if they tell me they accept my provisional decision, I may arrange for the complaint to be closed as resolved without a final decision.

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WHAT HAPPENED

The circumstances of this complaint are well known to all parties concerned, so I will not repeat them again here in detail. However, I will provide an overview.

Mr S says he has fallen victim to a cryptocurrency related investment scam. He says a fraudster deceived him into making payments to what he thought was a legitimate investment. The payments in question are:

Payment Number	Time	Date	Beneficiary / Merchant	Method	Amount
1	19:52	07 April 2023	Binance	Card	£500
2	18:31	09 April 2023	Binance	Card	£50
3	06:44	10 April 2023	Binance	Card	£500
4	16:40	10 April 2023	Binance	Card	£500
5	16:52	10 April 2023	Binance	Card	£1,000
6	17:02	10 April 2023	Binance	Card	£500
7	17:22	10 April 2023	Binance	Card	£500
8	17:27	10 April 2023	Binance	Card	£500
9	19:22	10 April 2023	Mr S (Clear Junction)	Transfer	£6,500
10	21:26	12 April 2023	Mr S (Clear Junction)	Transfer	£6,000
11	22:18	12 April 2023	Mr S (Clear Junction)	Transfer	£100

12	10:15	13 April 2023	Mr S (Clear Junction)	Transfer	£10,000
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Mr S disputed the above with Revolut. When Revolut refused to reimburse Mr S, he raised a complaint, which he also referred to this Service.

One of our investigators considered the complaint and upheld it in part. In summary, the investigator held that Revolut should have carried out a human intervention in relation to Payment 5. The investigator thought had Revolut done this, the scam would have been uncovered and Mr S's losses prevented. Consequently, the investigator directed that Revolut refund Mr S 50% of all the disputed transactions from Payment 5, plus 8% interest. Mr S accepted this, but Revolut did not.

As Revolut did not accept the investigator's findings, this matter has been passed to me to make a decision.

WHAT I HAVE 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 find that the investigator at first instance erred by reaching the conclusion they did. This is for reasons I set out in this decision.

I would like to say at the outset that I have summarised this complaint in far less detail than the parties involved. I want to stress that no discourtesy is intended by this. If there is a submission I have not addressed, it is not because I have ignored the point. It is simply because my findings focus on what I consider to be the central issues in this complaint.

Further, under section 225 of the Financial Services and Markets Act 2000, I am required to resolve complaints quickly and with minimum formality.

Regulatory framework

The regulations which apply in this matter are the Payment Services Regulations 2017 ("the PSRs").

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

It is not in dispute that Mr S authorised the payment transactions in this matter. Generally, consumers are liable for payment transactions they have authorised. However, that is not the end of the story. This is because even if a payment is authorised, there are regulatory requirements and good industry practice which suggest firms – such as Revolut – should be on the look-out for unusual and out of character transactions to protect their customers from financial harm. And, if such payment transactions do arise, firms should intervene before processing them. That said, firms need to strike a balance between intervening in a customer's payment to protect them from financial harm, against the risk of unnecessarily inconveniencing or delaying a customer's legitimate transactions.

I have borne the above in mind when considering the payment transactions in this matter.

Payments 1 to 4

I am not persuaded that Payments 1 to 4 were that unusual. I acknowledge that they were

cryptocurrency related in nature. However, I have weighed this against the fact that the payments were relatively low in value and in-line with what Mr S's account was set up for: 'crypto' and 'transfers'. Given this, I would not have expected Payments 1 to 4 to have triggered Revolut's fraud detection systems.

Payments 5 to 8

I think it is arguable that at least one of the transactions between Payments 5 and 8 should have triggered Revolut's systems. I say this because the transactions were both cryptocurrency in nature and made multiple times on the same day.

Payments 9 to 12

I take the view that Payment 9 should have triggered Revolut's systems as well. I say this primarily because of its value and the fact it was made to a new payee. However, I would not have expected Payments 10 to 12 to have triggered for reasons I deal with later in this decision.

What kind of interventions should Revolut have carried out?

Payments 5 to 8

Given the aggravating factors mentioned above for these payments, to my mind, there was an identifiable risk. Therefore, I take the view that it would have been reasonable for at least one of these transactions to have triggered Revolut's fraud detection systems; prompting it to intervene to try to protect Mr S from financial harm.

My view is that a proportionate intervention to the risk identified would have been for Revolut to have provided Mr S with an automated tailored written warning relevant to cryptocurrency scams, tackling some of the key features of the scam. Unlike the investigator, I am not persuaded that there were sufficient aggravating factors to justify a human intervention – a point I will come back to in due course.

Revolut failed to intervene in Payments 5 to 8 in the way I have described.

Payment 9

For Payment 9, I would have expected a similar intervention as the one mentioned above, which is something Revolut did in fact carry out. Revolut intervened in Payment 9 by providing Mr S with automated tailored written warnings relevant to investment scams. This was because Mr S had selected investment as a payment purpose. Mr G confirmed all was well with this transaction and proceeded to make it.

If Revolut had intervened in one of the Payments between 5 and 8 in the way described, would that have prevented the losses Mr S suffered from those transactions?

I find, on balance, that Mr S would have likely responded to any interventions in Payments 5 to 8 in the same way he did to Revolut's intervention in Payment 9. I have not seen anything to persuade me that he would have responded differently.

I am persuaded that Mr S was very much taken in by the fraudster at the time. I have seen WhatsApp messages exchanged between Mr S and the fraudster. Although these messages are undated, they do suggest that Mr S trusted the fraudster. This is supported by a telephone call I have listened to which took place between Mr S and his bank on 19

April 2023. During the course of that call, Mr S reports the scam and informs his bank that he was very much under the spell of the fraudster at the time, and that if he had more money, he would have paid it towards the scam. Mr S also mentioned in the call that he had seen increasing profits on the scam platform he was using. I can also see that Mr S had received at least one credit payment from the scam by the time of Payment 5. I think these points would have further legitimatised the scam in Mr S's mind.

Should Revolut have carried out a human intervention?

In the investigator's findings, they held that Revolut should have carried out a human intervention in relation to Payment 5. I have thought about whether a proportionate intervention regarding the transactions concerned should have been a human intervention via Revolut's in-app chat. Having done so, I am not persuaded that there were sufficient aggravating factors surrounding the payments concerned to warrant a human intervention. I explain why below.

Mr S set up his account for the purpose of 'crypto' and 'transfers'. The payments were all made to accounts in Mr S's name, which was at least apparent for Payments 9 to 12. Further, Payments 9 to 12 do not appear to be identifiably crypto transactions. In terms of the payments made on 10 April 2023, I acknowledge multiple were made on the same day. However, they were relatively spaced out, so I think a written warning was sufficient. Further, any intervention in Payments 5 to 8, which Mr S would have likely responded to by confirming all was well, would have set a precedent on Mr S's account and alleviated any concerns Revolut may have had about subsequent payments.

When weighing up the aggravating and mitigating factors surrounding Mr S's payments, I am not satisfied that the threshold from written warning to human intervention was crossed.

Should Revolut have exercised interventions in relation to Payments 10 to 12?

I would not have expected Payments 10 to 12 to have triggered Revolut's systems. I say this because Mr S did confirm all was well when Payment 9 triggered an intervention (see above), which concerned the same payee for Payments 10 to 12. To my mind, because Mr S confirmed all was well with Payment 9, this would have set a precedent on his account – especially to the same payee. Further, by the time of Payment 10 onwards, Mr S had made several transactions thereby normalising this type of spending activity on Mr S's account, which was in-line with what his account was set up for. Another point I am mindful of is that it does not appear that Payments 9 to 12 were identifiably crypto transactions.

Recovery of funds

I have considered whether Revolut acted appropriately to try to recover Mr S's funds once the fraud was reported.

Payment transfers

Mr S's payment transfers were made from Revolut to crypto wallets in his name. Thereafter, those funds were either moved directly to the fraudsters, or, if not – Mr S should be able to withdraw them from his accounts. Further or alternatively, as Mr S payments were made to purchase cryptocurrency – which would have been forwarded on in this form – there would not have been any funds to recover.

Further or alternatively, the likelihood that even if prompt action had been taken by Revolut on or immediately after the fraud was reported, any of Mr S's money would have been successfully reclaimed seems slim. I say this because of the time that had elapsed between

Mr S's last payment (13 April 2023) and when Mr S reported the scam (10 May 2023). In these types of scams, fraudsters tend to withdraw/transfer out their ill-gotten gains immediately to prevent recovery.

For these reasons, I am satisfied that it is unlikely Revolut could have done anything to recover Mr S's payment transfers.

Card payments (chargeback)

Chargeback is an entirely voluntary scheme, which means firms are under no formal obligation to raise a chargeback claim. The relevant scheme operator can arbitrate on a dispute between a merchant and customer if it cannot be resolved between them. However, such an arbitration is subject to the rules of the relevant scheme – so there are limited grounds on which a chargeback can succeed.

The service of purchasing cryptocurrency/exchanging funds into cryptocurrency – is not covered under the chargeback scheme concerned in this matter. This is because the exchanges in question provided their services as intended. This also applies to any payment processor involved, as they would have carried out their services as intended when transferring funds.

For these reasons, I find that any chargeback claim in this matter had little chance of success under the relevant chargeback scheme. It follows that I would not have expected Revolut to raise one on behalf of Mr S.

Vulnerabilities

CEL, on behalf of Mr S, submit that Mr S was vulnerable at the time of the scam due to *"Poor technology skills."* That is, *"Your customer [Mr S] stated that he works in construction and is not very technological minded. He has never invested in cryptocurrency before, and is not very good with computers. As a result of this your customer was more likely to fall for a sophisticated and complex investment scam."*

I have not seen anything to suggest that Revolut knew or ought to have known about what CEL has submitted at the time of the scam. In any event, I am not persuaded the reasons put forward would amount to Mr S being considered as vulnerable. For these reasons, I do not find that Revolut should have dealt with Mr S's payments any differently in this regard.

Compensation for distress and/or inconvenience

I have considered whether an award for distress and/or inconvenience is warranted in this matter. Having done so, I am not persuaded that it is. I have not found any errors in Revolut's investigation. Any distress and/or inconvenience Mr S has suffered is a result of the fraudster's actions – not Revolut's.

Conclusion

Taking all the above points together, I do not find that Revolut has done anything wrong in the circumstances of this complaint. Therefore, I will not be directing Revolut to do anything further.

In my judgment, this is a fair and reasonable outcome in the circumstances of this complaint.

MY PROVISIONAL DECISION

For the reasons set out above, I am currently minded to not uphold this complaint.

Tony Massiah

Ombudsman