

The complaint

Ms S complains that Revolut Ltd won't refund her the money she lost in an investment scam.

What happened

The circumstances surrounding this complaint are well-known to both parties, so I've summarised what I consider to be the key points.

Ms S says she was approached about an investment, unexpectedly, over a popular messaging platform around November 2022. She was sent some information about the investment, which involved a new cryptocurrency. She says aside from speaking to the scammer and receiving messages from others, she didn't carry out any research on this investment.

She decided to invest and made the following payments from her Revolut account to cryptocurrency accounts she opened and which she controlled. She then made payments from her cryptocurrency accounts to a wallet controlled by the scammers, which she thought was funding an investment account she held with the scammers.

Transaction	Date	Amount	Payment type
1	24/11/2022	£250	Card payment to own cryptocurrency account
2	17/02/2023	£1,900	Card payment to own cryptocurrency account
3	19/02/2023	£950	Card payment to own cryptocurrency account
4	23/02/2023	£947.51	Card payment to own cryptocurrency account
5	23/02/2023	£988.70	Card payment to own cryptocurrency account
6	23/02/2023	£988.70	Card payment to own cryptocurrency account
7	23/02/2023	£978.40	Card payment to own cryptocurrency account
8	01/03/2023	£1,395.51	Card payment to own cryptocurrency account

The investment appeared to be performing well, but Ms S says she realised this was a scam when she was asked to pay taxes before she could withdraw her money. I understand she paid the taxes, but was not able to withdraw her money afterwards. And so Ms S reported the scam to Revolut on 2 March 2023.

Ms S says she doesn't think Revolut did enough to protect her account. She says Revolut should have had systems in place to detect unusual transactions. The transactions were unusual because she made frequent transfers to cryptocurrency platforms but Revolut didn't send any warnings.

Revolut says the account was opened in 2020 and the account opening purpose was given as "vaults" but the account was not used until the time of the scam, so it didn't have an account history to use to determine what usual account activity was. Revolut says the transactions were all authorised by Ms S and payments were made to an account controlled by Ms S. Ms S didn't research the investment opportunity.

Revolut says the payments were made by card and were considered completed when Ms S's money was transferred to the legitimate beneficiary account, which was in her name and

under her control, so it wouldn't have been possible to raise successful chargeback claims under the relevant card scheme rules.

Our investigator thought the complaint should be upheld, in part. She thought the initial transactions were not enough to cause Revolut concern, but she thought that by transaction seven, Revolut ought to have intervened. This was because Ms S had paid a significant amount to cryptocurrency platforms, in a series of transactions that day and this ought to have caused Revolut concern. She considered that intervention by Revolut should have been in the form of a tailored warning about the risks of cryptocurrency transactions. Ms S hadn't been coached by the scammer and she didn't think there was reason to think Ms S wouldn't have heeded such a warning. She thought Revolut should refund 50% of the value of transactions seven and eight as a result and pay interest at 8% on those amounts from the date of each payment. The investigator thought refunding 50% was fair because she considered Ms S ought to bear equal responsibility for her loss. This was because she considered Ms S ought to have been suspicious of unsolicited contact over a messaging platform, she didn't carry out any research into the investment, the documents she was sent by the scammer contained errors and she was told to expect a minimum of 300% returns after five months, which was too good to be true.

Revolut responded to say it was willing to settle the complaint in line with the investigator's assessment.

Ms S didn't accept the investigator's assessment. She thought Revolut ought to have intervened earlier than the investigator had suggested, as these were significant amounts. She also thought Revolut could have done more to recover her money once she let it know she had been the victim of fraud. She also thought there shouldn't be a deduction from her compensation, because she was not experienced in investment and she was vulnerable.

As Ms S didn't accept the investigator's assessment, the complaint has been passed to me for an ombudsman's 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.

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 Ms S was at risk of financial harm from fraud?

I agree with the investigator's conclusions and largely for the same reasons. The initial payment was small and whilst it should have been apparent to Revolut that this was a transaction being made to a cryptocurrency platform, I don't think a small, one-off payment to cryptocurrency was sufficiently unusual that it ought to have led Revolut to intervene. Even the larger payment on 17 February 2023, whilst much larger than the previous payment, was relatively small considering payments made through EMIs tend to be larger than those made through traditional banks and payments often involve larger amounts of money being paid in to an EMI account to be transferred onwards. The payment was also made many weeks after the previous payment and wouldn't have appeared to be part of a recognised pattern of fraud. Overall, I agree with the investigator that the series of payments of a similar size, made on the same day and all to a cryptocurrency account, on 23 February 2023, with a significant combined value – more than double the previous largest payment – ought to have caused Revolut some concern. I consider that by the time of payment seven, there was a clear pattern emerging that warranted intervention from Revolut, but I wouldn't have expected Revolut to have intervened earlier than that because I don't think that pattern was clear until payment seven.

What kind of warning should Revolut have provided and would it have prevented Ms S's loss?

I consider a written warning relevant to cryptocurrency investment scams would have been appropriate at that point, since Revolut was well aware of this type of scam by this time and ought to have been aware that the payee was a well-known cryptocurrency platform. I consider such a warning would have contained information that resonated with Ms S, for example such a warning might have warned about unsolicited contact via popular messaging platforms or social media, being promised unrealistic returns and the importance of research. Ms S doesn't appear to have been coached by the scammer to provide misleading information and so I consider it most likely that Ms S would have heeded such a warning from her EMI.

Should Ms S bear any responsibility for her loss?

As I consider Revolut ought to have intervened in transaction seven and that such an intervention would have prevented Ms S's further losses – and Revolut accepts this too – I've gone on to consider whether Ms S should bear some responsibility for her loss.

There were some features that I consider ought to have caused Ms S to suspect that this might be a scam, even though I accept her point that she had no previous experience of investments.

Unsolicited contact through messaging platforms about investment when not looking to invest is unusual, so I consider this ought to have made her wary initially. The returns quoted by the scammer were also unrealistic. They suggested that minimum returns of 300% within

five months were to be expected. While I accept Ms S didn't have any investment experience, I consider these returns were so high that even someone with no investment experience ought to have queried them.

Ms S knew little about who she was investing with, and she indicates that she didn't carry out any research into this, for example to see whether the investment platform she thought she was investing with had any track record in investment, whether it was regulated and whether there were any negative reviews about it. I can't find any negative reviews dating back to the time Ms S decided to invest which may have given her some comfort. But neither can I see any online reviews or information at all that might be expected from a real investment business, which might have made her wary.

I also agree with the investigator that there were noticeable errors in the presentation of the documents Ms S did receive from the scammers, which generally make it look unprofessional and ought to have made her wary that this was genuine.

I have considered Ms S's comments about vulnerability, but Revolut doesn't appear to have been made aware of any vulnerabilities and I haven't seen anything that leads me to conclude that any vulnerabilities mean that she shouldn't have been concerned by any of these features.

Overall, while accepting Ms S was not experienced in investment, I agree that Ms S should bear equal responsibility for her loss from payment seven onwards because I consider there were a combination of features in this scam that ought to have caused her to be suspicious.

I'm satisfied there was little Revolut could reasonably have done to recover Ms S's money. The payments she authorised were card payments and the money went to her own cryptocurrency accounts and successfully credited those accounts. Revolut would not have been able to use the chargeback process to obtain refunds for those transactions because they were legitimate transactions that were processed correctly and the money was received into her cryptocurrency accounts.

Putting things right

For the reasons given above, Revolut must now pay Ms S 50% of the value of transactions seven and eight and add interest at 8% simple per year to those amounts, from the date each payment was made to the date of settlement.

If Revolut considers that it's required by HM Revenue & Customs to deduct income tax from that interest, it should tell Ms S how much it's taken off. It should also give Ms S a tax deduction certificate if she asks for one, so she can reclaim the tax from HM Revenue & Customs if appropriate.

My final decision

I uphold Ms S's complaint and direct Revolut Ltd to compensate her as set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms S to accept or reject my decision before 16 September 2025.

Greg Barham
Ombudsman