

The complaint

Mr I is being represented by a claims manager. He's complaining about Revolut Ltd because it declined to refund money he lost as a result of fraud.

What happened

Sadly, Mr I fell victim to a cruel cryptocurrency investment scam. In November 2023, he made the following card payments to a cryptocurrency exchange after which the currency purchased was transferred to the scammers:

No.	Date	Amount £
1	21 Nov	5,500
2	21 Nov	200
3	22 Nov	80

My provisional decision

After the complaint was referred to me, I issued my provisional decision setting out why I didn't think it should be upheld. My reasons were as follows:

There's no dispute that Mr I authorised the above payments. In broad terms, the starting position at law is that an Electronic Money Institution (EMI) such as Revolut is expected to process payments a customer authorises it to make, in accordance with the Payment Services Regulations and the terms and conditions of their account. In this context, 'authorised' essentially means the customer gave the business an instruction to make a payment from their account. In other words, they knew that money was leaving their account, irrespective of where that money actually went.

There are, however, some situations where we believe a business, taking into account relevant rules, codes and best practice standards, shouldn't have taken its customer's authorisation instruction at 'face value' – or should have looked at the wider circumstances surrounding the transaction before making the payment.

Revolut also has a duty to exercise reasonable skill and care, pay due regard to the interests of its customers and to follow good industry practice to keep customers' accounts safe. This includes identifying vulnerable consumers who may be particularly susceptible to scams and looking out for payments which might indicate the consumer is at risk of financial harm.

Taking these things into account, I need to decide whether Revolut acted fairly and reasonably in its dealings with Mr I.

The payments

Revolut has confirmed that none of the above payments were flagged as suspicious meaning no scam warnings were presented to Mr I. Having considered what Revolut knew about the payments at the time, I think it ought to have identified that he was at

risk of harm from fraud. In particular, I'm conscious that the amount of the first payment was large (and much larger than previous payments on the account) and was going to cryptocurrency, which Revolut should have known meant the risk of it being part of a scam was higher.

Based on the risks this payment presented, I think a proportionate response would have been for Revolut to have attempted to establish the circumstances in which it was being made. Once it had established that Mr I was purchasing cryptocurrency to fund an investment, I think it should have provided a tailored warning about cryptocurrency investment scams. Mr I would then have been able to make an informed decision about whether to proceed with the payment.

Revolut couldn't have known for sure that this was a scam but as I would have expected it to provide Mr I with a warning describing the common features of many types of investment scam. If he recognised many of these features in his own situation, the warning may have resonated with him and he wouldn't have made the payment. I've thought very carefully about what effect this type of warning might have had and it's my view that Mr I would most likely still have wanted to go ahead with the payment.

The issue here is that the features of this particular scam were different to many common scam scenarios Revolut would have been familiar with. In particular, I note Mr I actually met with the scammer in person and I think this would, understandably, have reinforced his belief that the scheme was legitimate. I'm also conscious that Mr I says the scheme was recommended to him by a trusted member of his community who showed him that he'd profited from it. On balance, it's my view that a warning listing many features of scams that didn't apply to his particular situation would have been unlikely to outweigh the confidence Mr I had in the scheme based on the advice of a trusted acquaintance who'd shown evidence of the profits he'd made and also the confidence gained from his meeting with the scammer.

I want to be clear that it's not my intention to suggest Mr I is to blame for what happened in any way. He fell victim to a sophisticated scam that was carefully designed to deceive and manipulate its victims. I can understand why he acted in the way he did. But my role is to consider the actions of Revolut and, having done so, I'm not persuaded these were the cause of his losses.

Recovery of funds

I've also looked at whether Revolut could or should have done more to try and recover Mr I's losses once it was aware that the payments were the result of fraud.

Mr I transferred funds to a legitimate cryptocurrency account in his own name. From there, he purchased cryptocurrency and moved it to a wallet address of his choosing (albeit on the scammers' instructions). Revolut could only try to recover funds from Mr I's own account and it appears all the money had already been moved on and, if not, anything that was left would still have been available to him to access.

As the payments outlined above were card payments, I've considered whether Revolut should have tried to recover the money through the chargeback scheme. I'd only expect it to have raised a chargeback claim if it was likely to be successful and it doesn't appear that would have been the case here. Mr I paid a legitimate cryptocurrency exchange and would have received a service that involved changing his money into cryptocurrency before sending it to the wallet address he supplied it with. Mr I's disagreement is with the scammer, not the cryptocurrency exchange and

it wouldn't have been possible for Revolut to process a chargeback claim against the scammer as he didn't pay them directly.

With these points in mind, I don't think anything that Revolut could have done differently would likely have led to these payments being successfully recovered.

In conclusion

I recognise Mr I has been the victim of a cruel scam and I'm sorry he lost this money. I realise my comments will come as a great disappointment but, for the reasons I've explained, I don't currently think that any further intervention by Revolut would have made a difference to the eventual outcome and I'm not proposing to tell it to make any refund.

The responses to my provisional decision

Mr I didn't accept my provisional decision and made the following key points:

- Revolut missed opportunities to protect him. The pattern of payments, which included transferring money from his business account should have stood as unusual.
- The point about him meeting the scammer in person has been misunderstood. The person he met was actually another victim who'd been tricked into promoting the scheme before they realised it was a scam.
- An appropriate scam warning would have made a difference. He's cautious by nature and, while he had made smaller cryptocurrency transactions before, he'd never done so with such a large amount of money.

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, my findings haven't changed from those I set out previously. I haven't necessarily commented on every single point raised. I've concentrated instead on the issues I believe are central to the outcome of the complaint. This is consistent with our established role as an informal alternative to the courts. In considering this complaint I've had regard to the relevant law and regulations; any regulator's rules, guidance and standards, codes of practice, and what I consider was good industry practice at the time.

As I explained in my provisional decision, I think the nature of the first payment meant Revolut should have identified Mr I may be at risk of harm from fraud and attempted to find out more about it before providing an appropriate tailored scam warning. The issue on which this case turns is whether such a warning would have been successful in preventing his losses.

I would have expected any warning issued by Revolut to set out common features of this type of scam. The point here is that this particular scam was unusual in many ways and I think this reduces the likelihood that any warning would have resonated with Mr I and opened his eyes to what was really going on. In particular, I'm conscious Mr I was introduced to the scheme by somebody he knew and that he'd met someone associated with the scam (albeit that the person he met was also a victim, although they didn't know it at the time).

The decision I have to make is whether I think a warning about a type of scam that didn't necessarily look very much like the scam Mr I was falling victim to would have outweighed the confidence he'd gained from the fact the scheme was recommended by a trusted member of his community, who said he'd made significant gains, and also from an in-person meeting with someone linked to the scam. I'm also conscious that he's said he had purchased cryptocurrency before and presumably had at least some understanding of the risks involved with that kind of investment.

I appreciate Mr I now believes a warning from Revolut would have made a difference – a statement made with the benefit of hindsight and the knowledge of how things turned out. But on balance, taking everything into account and based upon what he thought he knew at the time, I don't find it likely the sort of warning I'd have expected Revolut to provide would have stopped Mr I from going ahead with payments to the scam.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr I to accept or reject my decision before 20 August 2025.

James Biles
Ombudsman