DRN-5715101

The complaint

Mr A complains Revolut Ltd won't refund payments he lost when he was the victim of a cryptocurrency ('crypto') investment scam.

Mr A is professionally represented, however, to keep things simple, I'll refer to Mr A throughout my decision.

What happened

In March 2023, Mr A saw an advert for online investing on a popular search engine with a firm I'll refer to as 'G', which we now know to be a scam. Mr A said the advert for G was endorsed by a well-known public figure and he thought all users would have been fully vetted by the search engine before being allowed to advertise on it.

Mr A followed the link and went to G's website, whereby he was impressed with the detailed and technical nature of it. As an inexperienced investor, he carried out some checks online but didn't find any negative information. So, he was confident it was a genuine opportunity and completed G's enquiry form.

An advisor of G contacted Mr A, who he found extremely professional and articulate. The advisor discussed the trading process in detail and Mr A was informed G would provide him with an online trading account as well as designated traders to instruct him on how and what to invest in, according to what was profitable at the time. Mr A maintained regular contact with the advisor over the next few days, who was able to answer any questions Mr A had about the investment opportunity and the process involved. Based on everything Mr A had been told and seen on G's website, he was confident the investment opportunity was genuine and was ready to invest.

Following this, his designated trader, 'the scammer' instructed Mr A to visit G's website and open an account. The scammer also told Mr A to open an account with Revolut as well as another e-money provider, as he said they were easier to deal with than high street banks when investing in crypto.

Mr A was then told to download remote desktop software, which would allow the scammer to trade on his behalf and guide him through the process. Whilst remotely accessing his trading account, Mr A could see the trading portal which showed fluctuating exchange rates of various currencies, profits, losses etc, which further convinced him of the investment being genuine. Mr A was also told to open an account with a well-known crypto exchange. Shortly after, the advisor from G explained to Mr A he would need to make an initial investment of £250 to start trading, which Mr A funded from another banking provider.

Over the next few weeks, the advisor kept in contact with Mr A and encouraged him to continue to log into his trading account to see the profits he was making from his initial investment, which Mr A did. The advisor then told Mr A he should continue investing and capitalise on the current conditions of the market. The advisor provided a detailed and technical explanation as to why Mr A needed to invest at that time to benefit.

As a result, Mr A transferred funds from his other banking provider, which I'll refer to as 'L', to his Revolut account. He then made the following payments to purchase crypto with legitimate crypto providers (directly and on the peer-to-peer marketplace) before forwarding it on not G's trading platform:

Payment	Date and time	Payment Method	To	Amount
1	16/03/2023 – 16:05pm	Card payment	Crypto provider 1	£20
2	22/03/2023 – 16:07pm	Card payment	Crypto provider 1	£1,000
3	22/03/2023 – 16:11pm	Card payment	Crypto provider 1	£2,000
4	22/03/2023 – 16:12pm	Card payment	Crypto provider 1	£3,000
5	22/03/2023 – 16:15pm	Card payment	Crypto provider 1	£2,000
6	23/03/2023 – 18:08pm	Card payment	Crypto provider 2	£2,000
7	14/04/2023 – 13:04pm	Card payment	Crypto provider 2	£3,996.65 (including fee)
8	14/04/2023 – 13:14pm	Card payment	Crypto provider 2	£5,705.64 (including fee)
9	14/04/2023 – 13:18pm	Card payment	Crypto provider 3	£280.53 (including fee)
10	02/05/2023 – 11:08am	Card payment	Crypto provider 2	£8,500
11	02/05/2023 – 11:26am	Card payment	Crypto provider 2	£7,500
12	30/05/2023 – 16:36pm	Card payment	Crypto provider 2	£7,006.39 (including fees)
13	31/05/2023 – 13:12pm	Fund transfer	Crypto provider 4	£7,500
14	31/05/2023 – 13:23pmam	Fund transfer	Crypto provider 4	£500
15	06/06/2023 – 13:23pm	Fund transfer	Crypto provider 5	£1,500
16	06/06/2023 – 13:27pm	Fund transfer	Crypto provider 5	£1,500
17	07/06/2023 – 10:25am	Fund transfer	third party 1 (peer-to-peer purchase of crypto)	£1,000
18	07/06/2023 – 10:57am	Fund transfer	third party 2 (peer-to-peer purchase of crypto)	£2,307
19	08/06/2023 – 13:58pm	Fund transfer	third party 3 (peer-to-peer purchase of crypto)	£4,400

20	08/06/2023 – 15:04pm	Fund transfer	third party 4 (peer-to-peer purchase of crypto)	£600
			Total:	£62,316.21

Mr A received a credit of £72.67 on 16 March 2023, from Crypto provider 1, as well as refunds for payments 13, 14, 15 and 16. This put his total loss as £51,243.54.

Mr A continued to monitor his trading account on G's platform and his profits continued to increase.

Around November 2023, Mr A contacted the advisor and said he wished to withdraw his funds. However, he was told he would need to pay fees on the account to process a withdrawal. As Mr A refused to make any further payments, G refused him access to his funds. At this point, Mr A realised he had been a victim of a scam.

Mr A raised a complaint with Revolut. In short, he said:

- As a result of this cruel investment scam, he has lost his entire life savings.
- Revolut missed an opportunity to intervene when he made his first five payments- four of which were on the same day.
- Revolut allowed a newly opened account to immediately receive high-value credits and transfer the funds out which is in-line with patterns of fraud and financial crime without any intervention.
- At the time the payments were processed, Revolut didn't provide any advice or ask any questions, and if they had done, the scam could have been avoided.
- He was vulnerable due to his age, and no longer working, which has meant the scam has had a disproportionate financial impact on him.
- To settle the complaint, Revolut should refund him, pay 8% simple interest and £300 in compensation.

Revolut didn't uphold the complaint. In short, their second final response letter said:

- Their system detected payments were being made to a new beneficiary, so a warning was displayed.
- The transfers were put on hold and educational warnings were shown regarding the type of potential scams. Following these warnings, Mr A was free to continue with the payments.
- In addition to system-based fraud protection, they frequently inform customers about scams and prevention tips, through emails and blog posts.
- They were not at fault for processing the transfers as per Mr A's instructions.

As a result, the complaint was raised to the Financial Ombudsman. Our Investigator thought the complaint should be upheld in part and asked Revolut to refund 50% from payment four onwards (minus any returns already received) as well as paying 8% simple interest.

Mr A confirmed his acceptance.

Revolut didn't agree with our Investigator. In short, they added:

- This is a 'self-to-self' scenario in which Mr A owned and controlled the majority of the beneficiary accounts to which the payments were sent. Hence, the fraudulent activity didn't occur on Mr A's Revolut account – as the payments being made were to perform legitimate cryptocurrency purchases to accounts held in his own name.

- The type of payments made were not out of character nor unexpected payments with the typical way in which an Electronic Money Institute (EMI) account is used.
- It is entirely relevant to consider possible other bank interventions – as the funds that originated with Revolut came from Mr A's own external bank account.
- While they recognise the Financial Ombudsman may have considerable sympathy for customers who have been defrauded, this allocation of responsibility is at odds with the approach the statutory regulator (i.e the PSR) deems appropriate and is irrational.
- It is irrational (and illogical) to hold Revolut liable for customer losses in circumstances where Revolut is merely an intermediate link, and there are typically other financial institutions in the payment chain that have comparatively greater data on the customer than Revolut, but which the Financial Ombudsman hasn't held responsible in the same way as Revolut.

As no agreement could be reached, Mr A's complaint was passed to me to decide. I issued a provisional decision on 11 July 2025, and I said:

I'm sorry that Mr A has been the victim of a scam. I realise he's lost a significant sum of money and I don't underestimate the impact this has had on him. And so, I'd like to reassure him that I've read and considered everything he's said in support of his complaint. But I'll focus my comments on what I think is relevant. If I don't mention any specific point, it's not because I've failed to take it on board and think about it, but because I don't think I need to comment on it to reach what I think is a fair and reasonable outcome. But I must consider whether Revolut is responsible for the loss he has suffered. I know this won't be the outcome Mr A is hoping for but I don't think they are. And so, I don't think Revolut has acted unfairly by not refunding the payments. I'll explain why.

In broad terms, the starting position at law is that banks and other payment service providers are expected to process payments and withdrawals that a customer authorises it to make, in accordance with the Payment Services Regulations and the terms and conditions of the customer's account.

Mr A authorised the payments in question here – so even though he was tricked into doing so and didn't intend for his money to end up in the hands of a scammer, he is presumed liable in the first instance.

But as a matter of good industry practice, Revolut should also have taken proactive steps to identify and help prevent transactions – particularly unusual or uncharacteristic transactions – that could involve fraud or be the result of a scam. However, there is a balance to be struck: as while banks and EMI's should be alert to fraud and scams to act in their customers' best interests, they can't reasonably be involved in every transaction.

I've thought about whether Revolut acted fairly and reasonably in its dealings with Mr A when he made the payments, or whether it should have done more than it did. In doing so I've considered what Revolut knew about the payments at the time it received Mr A's payment instructions and what action, if any, Revolut took prior to processing the payments.

<u>*Should Revolut have recognised that Mr A was at risk of financial harm from fraud?*</u>

Revolut needs to take an appropriate line between protecting against fraud and not unduly hindering legitimate transactions. And, although, Revolut would have been aware the payments were going to a cryptocurrency exchange, I don't think payments 1 to 3 were unusual or suspicious enough for Revolut to have been sufficiently concerned about these payments – due to their relatively low values and payments 2 and 3 being made nearly a week after payment 1.

By payment 4 though, Mr A had made 3 payments totalling £6,000 to the same crypto provider within five minutes. Given what Revolut knew about the destination of the payment, *I think that the circumstances should have led Revolut to consider that Mr A was at heightened risk of financial harm due to the fraud pattern that was emerging. In line with good industry practice and regulatory requirements, I am satisfied that it is fair and reasonable to conclude that Revolut should have warned Mr A before this payment went ahead.*

Taking all of the above into account, and in light of the increase in multi-stage fraud, particularly involving crypto, I don't think that the fact payment 4 was going to an account held in Mr A's own name should have led Revolut to believe there wasn't a risk of fraud.

I also consider subsequent payments indicated a risk that Mr A might be at risk of financial harm from fraud – such as payments 10 and 11 that were significantly higher in value.

<u>*What did Revolut do to warn Mr A?*</u>

Revolut says it provided a number of warnings to Mr A when he set up new beneficiaries prior to making the transfers (I understand that it is referring to payments 13-20) but it did not provide any warnings to payment 1-12, which were card payments.

It says it warned Mr A prior to each fund transfer that he might be falling victim to a scam by providing the following message:

"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"

While I don't discount this warning entirely, it is very general in nature and it's difficult to see how it would resonate with Mr A or the specific circumstances of the transactions in question. I think Revolut needed to do more.

In addition, Revolut also said they provided warnings on seven of the transactions in question that were tailored the payment purpose he selected. On four occasions, Mr A selected an inaccurate payment purpose – which meant he received warnings that weren't relevant to his situation. Mr A did select 'investment' for three of the transactions (payments 14,16 and 18). Revolut then provided the following warnings tailored to investment scams:

- *"**Investment scams***

Fraudsters could contact you, or you may see an advertisement online, offering you a fake – but often convincing – investment opportunity to make easy money.

- ***Are you being scammed?***

Legitimate investments will never guarantee profit and won't be arranged over social media. Investment companies will be registered with a regulator, such as the Financial Conduct Authority (FCA) in the UK."

<u>*What kind of warning should Revolut have provided for payment 4?*</u>

I've thought carefully about what a proportionate warning considering 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 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.

Taking that into consideration, I think Revolut, ought, when Mr A attempted to make payment 4, knowing it was going to a cryptocurrency provider and made within 5 minutes of payments 2 and 3 and of increasing in value, done more to establish the circumstance of the payment and what, if any, potential risk there was by directing Mr A to their in-app chat to discuss the payment further.

I would have expected Revolut to ask Mr A a series of open and probing questions to establish what scam Mr A may have been falling victim to and then provide a tailored warning regarding that scam. An intervention of this nature relies on a customer being accurate in their answers so that a firm can properly assess the risk of a payment and provide an appropriate warning. In not doing so a customer can hinder the effectiveness of the intervention and result in the firm giving a scam warning that doesn't relate to the circumstances of the scam the customer is falling victim to. And is therefore less likely to positively impact the customer, uncover the scam and prevent the loss.

<u>If Revolut had provided a warning of the type described, would that have prevented the losses Mr A suffered from payment 4?</u>

I've thought carefully about whether such a warning would've resonated with Mr A at the time he made payment 4, and to the extent whereby he wouldn't have proceeded with making it. Having done so, I don't think it would have.

I say this because Revolut have provided us with information about seven of the transactions Mr A made from his Revolut account, where they asked him to provide a purpose of payment. Although, Mr A correctly mentioned "investment" on three of the payments, he gave an incorrect payment purposes on four separate occasions, mentioning the payment purpose as a "goods and service payment" on three occasions and "something else" on one occasion. I asked Mr A why he provided incorrect information and he said he was told what options to pick by the scammers.

I've also received two phone calls which Mr A had with L, before he made payment 4, on 21 and 22 March 2023, when he attempted to make payments from his account to Revolut. On the call that took place on 21 March 2023, L asked Mr A who he was making the payment to and he confirmed it was to his own account. As a result, he was given safe account scam warnings, and asked if someone had told him his money wasn't safe and to transfer it to another account, which Mr A said wasn't the case. Mr A was also asked why he was transferring the money and he said it was for a "family business", which we know wasn't correct. L then asked Mr A when he opened his Revolut account and if anyone had asked him to open the account. Mr A said he opened his Revolut account about 4 weeks ago and no one had asked him to open the account. Again, we know this wasn't correct, as Mr A has told us he had been directed to open a Revolut account by the scammers. I asked Mr A why he gave incorrect answers to the questions asked by L, and again he said he was being told what to say by the scammers.

I've also asked Mr A to provide the complete chat history he had with the scammer, as we have only been provided with the conversations from October 2023 onwards, which was four months after the last payment was made from his Revolut account. Mr A has said "at the beginning of the scam he was dealing with the scammers over the phone rather than through messages" and all the conversations have been provided.

Based on the information I've mentioned above, it's clear Mr A was being coached extensively by the scammer. The coaching included how he should answer questions posed by Revolut, as well as being advised what to say to L on the phone calls they had with Mr A, which shows Mr A was under the scammers spell – and to the degree he was willing to withhold information and mislead his banking providers in order to invest with G.

Overall, I think if Revolut had intervened as I've described and asked Mr A open and probing questions its more likely than not that he would have sought the guidance of G on how best to respond – as it's evident he had followed their instructions prior to making payment 4 when he interacted with L. I'm also mindful that Revolut don't tend to contact their customers by telephone but rather, they rely on their in-app chat as a method of communication. And so, considering Mr A was willing to circumvent L's fraud checks that included a telephone conversation, I consider it would've been easier for Mr A to have sought G's guidance when *responding to Revolut's questioning. Consequently, as a result of this coaching, I don't think Revolut could reasonably have uncovered the scam or prevent his losses.*

I've also thought about whether Revolut should've done more to try to recover the funds Mr A lost. Unfortunately, there were no recovery options here. This is because it's my understanding the product paid for – in this case cryptocurrency – was provided, albeit I accept it was then forwarded on to G's platform. Revolut however wouldn't have been able to attempt recovery from G.

Whilst Mr A has undoubtedly been the victim of a cruel scam, I can only uphold his complaint if I'm satisfied Revolut's failings were the cause of his loss. And although I consider Revolut should've done more before processing payment 4, and also subsequent payments too, I'm not persuaded that this would've made a difference. I think Mr A would've most likely not disclosed the true circumstances about the payments he was making and so, Revolut would've considered he was making them for legitimate purposes. I therefore don't think Revolut has to refund Mr A.

<u>My provisional decision</u>

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

Revolut said they had nothing further to add.

Mr A replied to say he disagreed. In short, he said:

- The basis of this rejection is that L contacted him about his transfers from L to Revolut. He doesn't recall any intervention from L, which highlights it was ineffective. However, this does not negate Revolut's responsibilities.
- Revolut were best placed to prevent the fraud as they were able to see the destination of the scam payments and the account was set up with the sole purpose to facilitate the scam payments.
- He made multiple high value payments to various new payees in quick succession, which is a clear pattern of fraud that warranted intervention from Revolut.
- Revolut should have provided warnings from Payment 1 and not only from Payment 13 onwards, as this would have resonated with him and also alerted Revolut to the scam.
- The warnings were not enough to prevent financial harm and human intervention should have taken place. Revolut should have asked probing questions regarding the destination of the payments.
- His complaint against Revolut is the same scam case as another complaint he raised against another one of his financial providers, which was partially upheld. So, he cannot understand how Revolut can be held to different standards for the same scam case.

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 doing so, I have thought carefully about the additional points Mr A has made, but it doesn't persuade me to reach a different outcome to my provisional decision.

Mr A has said the complaint being rejected is based on intervention from L, which he doesn't recall, which highlights that it was ineffective. While I appreciate Mr A may not recall his interaction with L, I think it reasonable for me to rely on it when considering what would've likely happened if Revolut had carried out additional checks before processing payment 4 (as I outlined in my provisional decision) as well as subsequent payments. And Mr A's interaction with L is one of the reasons why I don’t think any further intervention from Revolut would have made a difference, as it was clear Mr A was being heavily coached by the scammers in what to say to circumvent any fraud prevention checks. This is evident from Mr A confirming he was being told by the scammers what payment purpose options to pick when questioned by Revolut, and he was being told what to say to L when asked about the nature of the payments, which resulted in him providing incorrect information to both firms.

Mr A also thinks Revolut ought to have provided warnings from the first payment rather than from Payment 13, and that this should have involved a human intervention. Mr A argues that Revolut should’ve asked more probing questions regarding the destination of the payments. I’ve considered Mr A’s points, but I’m not persuaded Revolut needed to undertake a human intervention in relation to the first payment. But even if they did, I don’t agree this would’ve resulted in the scam being revealed, as Mr A has confirmed he was sharing the questions with the scammer and he was being coached in his responses. So, even if I was to agree with Mr A that Revolut should have intervened earlier, I think it would have given him more time to seek guidance from the scammer on how best to respond, which would have resulted in the answers Revolut received from him reassuring them Mr A wasn’t likely falling victim to a scam. So, I don’t think any earlier or further intervention from Revolut would have resulted in Mr A not going ahead with the payments.

I appreciate Mr A has mentioned his other complaint against another financial firm was partially upheld, however, every complaint is looked at on its own individual merits and I cannot comment on that complaint here. I can only give my decision on this complaint, which I’ve reviewed and for the reasons I’ve mentioned, I don’t think Revolut could reasonably have prevented Mr A’s loss. I therefore see no reason to depart from the provisional decision I issued.

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 A to accept or reject my decision before 22 August 2025.

Israr Ahmed
Ombudsman