DRN-5727048

The complaint

Mr H complains that Revolut Ltd won't reimburse money he lost to a scam.

Mr H has brought his complaint with the assistance of a professional representative. For ease I'll refer to all their submissions as being from Mr H except where the facts require otherwise.

What happened

Mr H found an investment opportunity through friends and family. He said he looked into the investment through social media testimonials and he joined a social media platform group along with other investors. The information provided by the investment company seemed legitimate, but he later discovered that he'd fallen victim to a scam.

Mr H set up accounts in his name with cryptocurrency providers. In the 11 month period from November 2021 to September 2022 inclusive he sent 16 payments totalling £18,323 to the cryptocurrency accounts. After converting the money to cryptocurrency he sent it to the scam investment company. In the period from November 2021 to September 2022 he received credits relating to the scam of £1,321.25. But when he tried to withdraw his profits he didn't receive a response from the scammers.

In October 2024 Mr H reported the scam to Revolut through his professional representative, asking for full reimbursement of his loss (£17,001.75), together with interest and compensation.

Revolut said Mr H had authorised the payments. It could not make a successful chargeback claim because the chargeback rules didn't cover scams.

Mr H asked us to look into his complaint, saying Revolut should have taken steps to warn him about the possibility of cryptocurrency scams. He also referred a similar complaint to us about his account with a bank I'll call M from which he had also sent money to the scammers. His complaint about M has been considered separately.

Our Investigator didn't uphold Mr H's complaint. She didn't think any of the payments looked suspicious such that Revolut ought to have made additional checks before processing any of them.

Mr H didn't agree and asked for an Ombudsman's decision. In brief summary, he said that Revolut as a regulated Electronic Money Institution (EMI) had to stay ahead of risk and apply additional scrutiny to high risk sectors like cryptocurrency, particularly where Mr H made two payments of nearly £4,000 nearly a week apart. The combination of high-value payments and crypto-related recipients meant the payments were objectively high-risk transactions. Mr H was a vulnerable consumer inexperienced in financial matters and this together with the fraudster's grooming behaviour left him susceptible to a sophisticated scam.

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.

This decision is confined to Mr H's complaint about Revolut. His complaint about his bank, M, will be decided separately.

There's no dispute that Mr H authorised the payments he made to the scam. The starting point is that banks and EMIs ought to follow the instructions given by their customers in order for legitimate payments to be made as instructed.

Having taken into account longstanding regulatory expectations and requirements, and what I consider to be good industry practice, Revolut ought to have been on the look-out for the possibility of fraud and made additional checks before processing payments in some circumstances.

In saying this I accept that banks and EMIs should have been aware of the risk of cryptocurrency scams since at least January 2019 as the Financial Conduct Authority (FCA) and Action Fraud published warnings about them in mid-2018. But at the time Mr H made the payments in 2021 and 2022 banks and EMIs didn't need to automatically treat payments to cryptocurrency providers as carrying a significantly heightened risk of fraud.

There's a balance banks and EMIs need to strike between identifying payments that could potentially be fraudulent and allowing customers ready access to their funds. Not all crypto-related payments are made as a result of a fraud or scam.

So the key question here is whether the payments were sufficiently unusual or suspicious for Mr H's account such that intervention from Revolut ought reasonably to have been warranted.

I don't think Revolut ought reasonably to have intervened. I'll explain my reasons focusing on the points I think are central to my decision.

I have reviewed Mr H's account and the payments he made to the scam. I've taken into account that he opened his account with Revolut in July 2021. Having considered when the payments were made, their value and who they were made to, I'm not persuaded Revolut should have found any of the payments suspicious, such that it ought to have made enquiries of Mr H before processing them.

I accept the payments were to a crypto provider, but as I've said that doesn't mean payments should automatically be treated as suspicious.

Mr H made the payments over a long period of time. I've noted Mr H's point about his account being relatively new. But I don't consider any single payment, or series of payments should reasonably have led to any intervention by Revolut.

I have noted that two payments were made to a cryptocurrency provider for £3,900 and £3,950. They were made in February 2022 and were a week apart. At the time they were made I don't consider that the payments should have led Revolut to believe Mr H was at risk of financial harm from fraud, such that it ought to have intervened.

Having considered everything, and whilst I recognise that Mr H has lost this money to a cruel scam, I don't think Revolut ought reasonably to have prevented it. Mr H says he was a vulnerable consumer who was financially inexperienced and had been victimised by fraud.

I've thought about this but I don't consider Revolut was on notice the fraud was occurring or that it missed signs of any vulnerability in the circumstances. So I'm not directing Revolut to reimburse Mr H the stolen funds.

For completeness, I don't consider any chargeback process by Revolut would have a reasonable prospect of success given Mr H had authorised the payments which went to crypto providers to purchase cryptocurrency.

My final decision

For the reasons I've explained, my final decision is that I don't uphold this complaint.

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

Amanda Maycock
Ombudsman