

The complaint

Mr G is complaining about Revolut Ltd because it declined to refund money he lost as a result of fraud.

What happened

Sadly, Mr G fell victim to a cruel impersonation scam. He was contacted by a scammer claiming to be from his bank's security team who said his account had been compromised and he needed to transfer money to his existing Revolut account (opened in 2023). While he was on the phone with the scammer he was told to authorise a number of payments that would be returned to him when his accounts were secure.

My understanding of the sequence of key events on 15 November 2024 is as follows:

- 18.03 – Mr G moved £5,636 from his Revolut savings account to his Revolut current account.
- 18.19 – a payment of £1,740 was attempted to a cryptocurrency exchange. This was declined by Revolut. Further attempted payments to the cryptocurrency exchange were also declined at 18.21 and 18.35.
- At some point after the 18.19 payment was declined, Mr G went through an in-app fraud intervention where he was asked about the reason for the payment and shown various warning screens, after which payments were permitted to that merchant.
- 18.43 – Mr G contacted Revolut using the in-app chat about a declined payment to the cryptocurrency exchange.
- 19.19 – Revolut began approving the following series of payments that were lost to the scam:

No.	Payee	Amount £
1	Merchant 1	1,984.34
2	Crypto exchange	1,700
3	Crypto exchange	1,690
4	Crypto exchange	1,680
5	Crypto exchange	1,300
6	Crypto exchange	1,150
7	Merchant 2	70
8	Merchant 3	73.62

During the course of these payments, Mr G also transferred money from an external account that was used to fund some of them.

My provisional decision

After the complaint was referred to me, I issued my provisional decision setting out why I thought it should be upheld. My reasons were as follows:

There's no dispute that Mr G authorised the above payments, although I fully accept he was being directed by the scammer when he did so. 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.

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;*
- have acted to avoid causing foreseeable harm to customers, for example by maintaining adequate systems to detect and prevent scams and by ensuring all aspects of its products, including the contractual terms, enabled it to do so;*
- 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.*

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

Did Revolut recognise that Mr G was at risk of harm from fraud?

Mr G made a large withdrawal from his savings account and minutes later tried to make a significant cryptocurrency purchase. Losses to cryptocurrency fraud reached record levels in 2022 and, by the end of that year, many high street banks had placed restrictions or additional friction on cryptocurrency purchases owing to the elevated fraud risk. So, by the time this payment was instructed, I think Revolut should have recognised that payments to cryptocurrency carried a higher risk of being associated with fraud.

Revolut does appear to have recognised the risk associated with this type of payment as it blocked the merchant following the attempted payment at 18.19 and required Mr G to go through a series of questions and warning screens before the merchant could be accessed again.

During this in-app process, Mr G was asked to state the purpose of the payment. He was given a selection of reasons to choose from, one of which was 'transferring

money to my other account', and he chose the 'other' option. When asked to expand on this, he simply input the name of the cryptocurrency exchange. In response to other questions, he said he wasn't being pressured to make the payment, no one was telling him which options to select and he hadn't been told his account wasn't safe or to ignore these warnings.

Revolut then showed Mr G a series of warning screens that contained a number of messages relating to scams, including one that said he should be wary of unexpected calls and that it would never ask him to urgently move funds.

At this point in proceedings, I think this was a reasonable intervention by Revolut in view of what it knew about the payment, including Mr G's answers to its questions. It's unfortunate that Mr G didn't answer all of these questions correctly or take notice of the warnings given. But he says he all of his actions were being directed by the scammer who he believed was from his bank's security team and trying to help him protect his money.

What should Revolut have done differently?

My concerns about what happened are centred on the online chat between Mr G and Revolut's agent at 18.43, which was before any of the payments that were approved left his account.

The chat began with Mr G asking for help because a payment to the cryptocurrency exchange had been declined. The agent responded by informing him it had been declined because it was 'considered high risk in nature'. The agent went on to explain that he couldn't override this decision but suggested some things Mr G could try to make sure it went through. Mr G didn't respond and the chat ended at that point.

On the basis that Revolut had identified a payment attempted from his account was 'high risk' and the agent knew that and actually had Mr G 'on the line', I don't currently understand why they didn't enquire what the circumstances of the payment and what it was for. If the agent was taking Revolut's responsibilities to prevent Mr G from foreseeable harm seriously, it seems to me that they should have at least asked some questions to satisfy themselves Mr G wasn't falling victim to a scam, rather than simply giving him advice on how he could make sure the 'high risk' payment went through. And if that particular agent wasn't qualified to ask those questions, they should have handed over to someone who was.

I believe this chat was a real opportunity for Revolut to prevent the scam before any money actually left Mr G's account and the agent missed it.

If Revolut's agent had asked Mr G about the reason for the declined payment, would that have prevented his losses?

This really depends on how Mr G would have answered the agent's questions. In considering this point, I am mindful he didn't answer some of the questions he was asked during the in-app intervention correctly. But I also understand he was being rushed through these screens by the scammer who told him how to answer.

I think that's a very different situation to Mr G being in an online chat where he was interacting with a human agent and would actually have to type out (and therefore think about) his answers rather than simply selecting from a list of options on the screen as instructed by the scammer. This would have effectively broken the

momentum of the scam and given Mr G some breathing space to reflect on what was actually going on.

Mr G had nothing to hide in this situation and I've no reason to think he set out with the intention of misleading anyone. It seems his actions were instead prompted by the scammer who he believed was acting in his best interests. But if he'd been required to actually type out what he was doing in a human interaction with an appropriately skilled agent who was asking relevant open and probing questions, I think it's most likely he'd have explained that his bank had contacted him to say his account was compromised and he needed to move money to keep it safe.

Once Revolut's agent had extracted this information, it should have been clear to them that Mr G was almost certainly falling victim to an impersonation/safe account scam and they could have told him that and explained some common features of this type of scam that he'd have recognised in his own situation and would likely have resonated with him.

On balance, if Revolut's agent had acted in the way I've described, I think the most likely outcome would have been that Mr G's eyes were opened to the scam and he'd have cut communications with the scammer without making any of the payments that were approved.

Is it fair and reasonable for Revolut to be held responsible for Mr G's loss?

It's not clear in whose name the cryptocurrency account to which payments 2 to 6 were directed was set up. But I have considered the possibility that this was an account Mr G controlled and that the money wasn't lost until he took further steps. But Revolut should still have made further enquiries in view of the 'high risk' it had identified and ultimately prevented his loss. I think Revolut can fairly be held responsible for any loss in these circumstances.

It's also relevant to note here that Mr G transferred money later in the evening from an external bank account and that is was also therefore involved in the overall proves. But the bank has confirmed the transfer wasn't detected as suspicious, meaning no scam warnings were given. I have considered the role of Mr G's bank in what took place, but he's chosen not to pursue a complaint about any other firm and I can't compel him to do so. And I don't think it would be fair to reduce his compensation because he's only complained about one firm, as I consider that Revolut should have prevented the loss.

Should Mr G bear any responsibility for his losses?

I've considered the evidence carefully to decide what's fair and reasonable in the circumstances.

With hindsight, it's easy to say Mr G made mistakes that could have been avoided. But I must also take into account that the scammer's actions were intended to create a sense of urgency and panic and to prompt him to do things in the heat of the moment that he wouldn't do if he wasn't being rushed and had time to reflect.

I'm also conscious that Mr G did make efforts to check the caller was genuine. In particular, I note he says the scammer – who claimed to be from his bank - initially told him his account had been compromised and a payment to the cryptocurrency exchange had been attempted. Mr G says he was driving home at the time and asked the scammer to call him back. Before the scammer returned, Mr G says he

called his bank who confirmed that it had indeed declined a payment to the cryptocurrency exchange. I think that was a sensible step for him to take and he says this helped confirm to him that the caller was legitimate, which I think is understandable.

For the avoidance of doubt, I have listened to a call Mr G made to his bank after he realised he'd been scammed and the agent confirmed that a payment to the cryptocurrency exchange had indeed been attempted from his account and that he had called the bank earlier that day.

Taking these points into account, I don't think Mr G should bear any responsibility for his loss. Revolut were the experts who I believe should have been able to uncover the fraud before any payments were processed and I think it should bear full responsibility for redressing the loss.

The responses to my provisional decision

Mr G accepted my provisional decision. Revolut said it had nothing further to add.

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.

As neither party has made any further submissions, my findings haven't changed from those I set out previously.

Putting things right

The principal aim of any award I make must be to return Mr G to the position he'd now be in but for the errors or inappropriate actions of Revolut. If it had carried out an appropriate intervention as I've described, I'm satisfied the scam would have been stopped and Mr G would have retained the money that was lost.

To put things right, Revolut should pay Mr G compensation of A + B, where:

- A = a refund of each of payments 1 to 8 above; and
- B = simple interest on each amount being refunded in A at 8% per year from the date of the corresponding payment to the date compensation is paid.

Interest is intended to compensate Mr G for the period he was unable to use this money. HM Revenue & Customs (HMRC) requires Revolut to deduct tax from any interest. It must provide Mr G with a certificate showing how much tax has been deducted if he asks for one.

I'm satisfied this represents a fair and reasonable settlement of this complaint.

My final decision

My final decision is that I uphold this complaint. Subject to Mr G's acceptance, Revolut Ltd should now put things right as I've set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 28 August 2025.

James Biles
Ombudsman