

The complaint

Ms O is being represented by a claims manager. She's complaining about Revolut Ltd because it declined to refund money she lost as a result of fraud.

What happened

Sadly, Ms O fell victim to a cruel investment scam after she responded to an advert on social media. She says the scam required her to purchase cryptocurrency that she then transferred to the scammers. She was set up with an account on a fake portal that appeared to show trades being made and profits generated on her behalf. It was only when she wasn't able to withdraw money that she realised it was a scam.

Ms O made a series of payments between September and November 2023 totalling over £90,000 that she says were lost to the scam. They started with her converting nearly £2,000 to cryptocurrency that was transferred on 26 September. She then made payments of £3,027 on 5 October, £1,500 on 9 October and £1,000 on 30 October, all of which went to named individuals for what I assume were peer-to-peer cryptocurrency purchases. She then made a further 19 similar payments to individuals and companies from 31 October onwards.

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:

In this case, there's no dispute that Ms O 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 Ms O.

Payments up to and including 30 October

One of the key features of a Revolut account is that it facilitates payments that sometimes involve large amounts and/or the purchase of cryptocurrency. I must take into account that many similar payment instructions it receives will be entirely legitimate. I'm also conscious this was a newly-opened account and there was no account history compared to which these payments might have appeared suspicious.

Having considered what Revolut knew about the first five payments at the time, up to and including that on 30 October, I'm not persuaded it ought to have been particularly concerned about them. The amounts involved were relatively low and they were spaced out over a period of more than a month, meaning that I don't think a pattern consistent with many types of fraud had begun to emerge. Further, the payees were recorded as named individuals and it's not clear Revolut would have known they were for the purchase of cryptocurrency. So, I can't say it was at fault for processing the payments in line with Ms O's instructions.

It appears Ms O's representative is in agreement with this as it pointed to a payment on 31 October as the first that it felt should have prompted Revolut to take further action when making the original complaint.

Payments from 31 October onwards

It's my understanding that these payments were funded by transfers from Ms O's bank account, starting with a transfer of £17,000 on 31 October. She made a separate complaint about her bank and in response it offered to refund 50% of all payments from this date plus 8% simple interest. It has provided us with a copy of a letter dated 13 June 2025 confirming this amount has been paid to her account.

In light of this information, it currently appears to me that Ms O has already received as much compensation as I could reasonably award in respect of these payments. I say this because I believe Ms O should bear some responsibility for her loss.

I've considered the evidence carefully to decide what I think is fair and reasonable in the circumstances. While I accept Ms O believed these payments were being made in connection with a legitimate investment opportunity, I'm not persuaded that belief was a reasonable one throughout the course of the scam. In particular, I note Ms O has said she was told to expect returns of 5% per month on her investment. This rate of return is extremely high return and I think she should reasonably have questioned whether this was too good to be true.

I'm also mindful that Ms O didn't provide Revolut with accurate information when it asked her about the payments. I understand she did this at the instigation of the scammer, but it only hampered any effort by Revolut to protect her money and I think she should reasonably have questioned why she was being told to hide the real reason for the payments.

In the circumstances, I think Ms O ought to have proceeded only with great caution. If she'd carried out any further research, for example online searches, I think she'd have quickly discovered her circumstances were similar to those commonly associated with investment fraud. Overall, I think it's fair and reasonable for any refund to be reduced by 50% in recognition of Ms O's own contribution to her losses.

As Ms O's bank has already refunded an amount equivalent to 50% of Ms O's losses from 31 October plus appropriate interest, I don't currently believe further compensation is due.

Recovery of funds

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

It appears Ms O first notified Revolut of the fraud several months after the last payment was made. It's a common feature of this type of scam that the fraudster will move money very quickly to other accounts once received to frustrate any attempted recovery. I can see that Revolut did make attempts to recover her money but it's not a surprise that these were unsuccessful after this period of time. In the circumstances, I don't think anything that Revolut could have done differently would likely have led to Ms O's losses being successfully recovered.

In conclusion

I recognise Ms O has been the victim of a cruel scam and I'm sorry she lost such a large amount of money. I realise the outcome of this complaint may come as a disappointment but, for the reasons I've explained, I don't currently think any further refund or compensation is due.

The responses to my provisional decision

Ms O didn't accept my provisional decision. Her representative maintains Revolut should have done more to prevent the losses and argues that liability should be split equally between the three parties involved. As her bank has refunded 50% of the losses related to the payments from 31 October, it argues that Revolut should refund a further 16%.

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.

I'm not disputing that Revolut could have done more to try and stop the scam. The issue I need to consider is whether further compensation is due given Ms O's bank has already refunded half of her losses. For the reasons I explained in my provisional decision, I think a 50% deduction from any refund for Ms O's contribution to the losses is fair and reasonable with the other 50% to be covered by her bank and Revolut for their combined failure to prevent them. On this occasion, the bank has already paid that 50% meaning there's nothing further for Revolut to pay.

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 Ms O to accept or reject my decision before 29 August 2025.

James Biles
Ombudsman