

The complaint and background

Mr S complains Revolut Ltd ('Revolut') won't reimburse over £58,000 he lost when he fell victim to a cryptocurrency investment scam.

Our investigator explained he was satisfied this service had jurisdiction to consider the complaint. But in considering the merits of the complaint, he didn't uphold it. He was satisfied that Mr S's activity warranted intervention. Our investigator found that Mr S was presented with warnings which were relevant in his circumstances, but he also identified he was not truthful when questioned about the involvement of any third parties. That said he was satisfied the actions taken by Revolut were proportionate to the associated risk identified. But he was convinced that whatever the extent the interventions made by Revolut were, Mr S would still have wanted to go ahead with the payments. He also explained that Mr S was also untruthful when questioned about the purpose of the payments he was making.

Our investigator pointed out that Mr S admitted he was being guided by the scammers and this was supported by the scam chats presented as evidence. He also explained that Mr S had interactions with Santander (where the funds had originated from) and he was also untruthful with them about the involvement of any third parties. As a result of Mr S's actions, this prevented Revolut from understanding what was really going on.

Mr S's representatives disagreed. They argued that Revolut's interventions and warnings didn't go far enough and that a human intervention was warranted in the circumstances. It considered Revolut's in-app engagement to be insufficient and in the circumstances there ought to have been a phone call. As such its failure to act led to Mr S's preventable and foreseeable loss. They also argued that Santander's interventions were insufficient.

In response, our investigator was satisfied he'd addressed the points raised in his findings and as an agreement couldn't be reached, the case has been passed to me to decide.

Preliminary matters

Revolut did not respond to our investigators findings and so it hasn't replied to matters set out within them concerning our jurisdiction. For completeness, I agree that I can't consider cryptocurrency withdrawals in isolation given it's not a regulated activity. But the exchange of fiat money into cryptocurrency, which although not a regulated activity in itself, is one which our service would consider ancillary to payment services. This is in the same way we consider exchanging GBP into a foreign currency an ancillary activity.

Therefore, given the nature of Mr S's complaint, I'm satisfied that I can consider whether Revolut did what it should have, in relation to his funds and account when he used Revolut to exchange his money from GBP to cryptocurrency.

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.

To be clear from the outset, my decision here solely focuses on the complaint brought against Revolut. Mr S has a separate case with this service brought against Santander which is the subject of a separate complaint, and which will be addressed separately. But it's important to highlight that there is evidence that I've considered as a whole from both Revolut and Santander. And it's appropriate for me to do so as they all form part and parcel of the scam journey Mr S faced. That said, I won't be commenting on the specific merits nor outcome of the Santander complaint in this decision.

It isn't in dispute that Mr S authorised the transactions in question. He is therefore presumed liable for the loss in the first instance. However, Revolut is aware, taking longstanding regulatory expectations and requirements into account, and what I consider to be good industry practice at the time, that it should have been on the look-out for the possibility of fraud and made additional checks before processing payments in some circumstances.

There was a total of 17 disputed transactions carried out between 11 April and 6 June 2024. The disputed transactions in question were all exchanges from GBP to cryptocurrency.

I'm in agreement with our investigator that there was nothing about the incoming credits to Mr S's account with Revolut from his own account with Santander that ought to have raised any concerns. But there was enough going on by the third disputed transaction – that being a £5,000 exchange to cryptocurrency on 12 April 2024 that warranted an intervention.

Revolut provided evidence that interventions did take place and that those interventions specifically took place immediately after Mr S's exchange of GBP to cryptocurrency. Specifically, those interactions took place when Mr S sought to withdraw the purchased cryptocurrency to an external wallet address.

Revolut provided evidence Mr S was presented with multiple warning screens during the disputed transactions that took place. These ranged from Mr S being advised of the risk with sending cryptocurrency which are non-reversible once initiated as well as Mr S being warned that *'Something doesn't look right – Your transaction has been flagged by our system as a potential scam...'*. Mr S is required to acknowledge that he understands he may not be able to get his crypto funds back if he does not answer Revolut's questions truthfully. This was followed by questions around whether he is being assisted through the questionnaire and the purpose for why he's making the transfers. I consider that the most appropriate selection for Mr S here was *'As part of an investment'*. But when asked, he informed Revolut that he was making the transfer to *'Send to my crypto wallet'*. And even when Revolut engaged with Mr S directly, which included one instance whereby Mr S had selected *'Yes, I am being assisted through this questionnaire'*, he proceeded to inform them that no one was guiding him and that he was doing the transfers of his own accord. He said *'I see when I looked above question if someone telling me which options to choose. That was my mistake no one was telling me how to answer them'*. But Revolut still asked Mr S to provide evidence that the crypto wallet in question belonged to him, and he proceeded to provide them with evidence of this.

That said there were aspects of the warnings that were presented to Mr S that still ought to have resonated with him. He was warned that crypto scams promise high returns in short periods of time and might have professional-looking online platforms. He's also warned of social media promotions as well as not to be rushed and that he ought to take time to speak with family and friends before making large investments. And before proceeding with any payment, Mr S was required to digitally sign a risk agreement that said *'Revolut has warned me that this transfer is suspicious and I understand the risk of losing my crypto funds'*. Despite the warnings provided to him by Revolut, Mr S proceeded to make the payments.

I'm mindful that Mr S also had interactions with Santander with regards to payments he was making directly to cryptocurrency exchanges as well as payments he was making to his Revolut account. Mr S had interactions with Santander both before and during the disputed transactions in this case. And when questioned by Santander about the involvement of any third parties, he repeated the same response – that there was none. He was also untruthful on a number of occasions about the purpose of the payments he was making to his account with Revolut – that being they were for general expenditure/ spending or bills. During these interactions with Santander Mr S was also presented with a number of warnings that ought to have resonated with him.

In light of the interactions that did take place, I'm in agreement with our investigator that the actions taken by Revolut at the time were proportionate to the risks associated with the payments being made. And just like our investigator, I'm persuaded that even if there had been any further interventions, Mr S would have still wanted to go ahead with the payments.

I've also carefully reviewed the scam chats provided by Mr S. It's evident there were other chats as these are referenced – but these haven't been presented. But what I have seen from the available scam chat is Mr S regularly being guided throughout the scam. This included instances when Mr S is prevented from carrying out transactions, limits on those transactions and conversations around blocks. And when Mr S borrows a significant sum of money (£31,000) from a friend – which is lost to the scam, it's clear that Mr S has told them about what he's doing because he tells the scammer that *'I have a friend who is willing to help she is worried though if something goes wrong, if you don't release the funds and she won't get back her money. Don't know to convince her any ideas'*. The chat also shows that Mr S was seeking to introduce a friend to the alleged investment and he goes so far as to explain to the scammer that even his friend considered the investment *'too good to be true'*. Yet Mr S still continued to make payments towards the scam.

I also don't agree with Mr S's representatives that the circumstances were such Revolut ought to have engaged with him by telephone when considering how Mr S responded. And I'm not satisfied things would have played out any differently when I consider the numerous telephone calls that took place between Mr S and Santander.

This was a sophisticated scam where Mr S had been subject to social engineering and was being coached by the scammer. It's evident he was under their spell and was convinced the initial losses made under the scammer's instructions were entirely his own doing and his fault. Furthermore, Mr S failed to heed any concerns about it from friends let alone any warnings that had been presented to him from both Santander and Revolut. Taking everything into account and having reviewed the evidence presented by both parties, for the reasons I've set out above I don't consider Revolut could have reasonably prevented Mr S's losses to the scam.

I've also thought about what Revolut did once informed Mr S's payments had been made as the result of a scam. As the disputed transactions were ultimately converted to cryptocurrency and moved on to a wallet address (which we know belonged to Mr S) before being moved on from there to another wallet address (albeit upon the scammers instructions), I'm not satisfied there was any realistic prospect of recovery for any of the disputed transactions.

My final decision

For the reasons given above, 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 S to accept or reject my decision before 25 September 2025.

Mark O'Connor
Ombudsman