

The complaint

Mr E complains Revolut Ltd (“Revolut”) won’t refund the money he lost to a cryptocurrency investment scam.

What happened

I issued a provisional decision in July 2025 to explain why I thought Mr E’s’ complaint should be partially upheld. And I said I’d consider anything else anyone wanted to give me before proceeding with my final decision.

This is an extract from my provisional decision:

“The detailed background to this complaint is well known to both parties. So, I’ll only provide a brief overview of some of the key events here:

In April 2023, Mr E fell victim to a cryptocurrency investment scam. Mr E saw a video that had been shared on a video sharing website and clicked on a link to request some more information. Shortly after, he was contacted on a messaging service by someone who told him they were an experienced “broker” who could teach him how to trade in cryptocurrency and make substantial profits. Unbeknown to Mr E at the time, he was actually speaking with a scammer.

Mr E’s “broker” instructed him to set up an account on what we now know to be a fake investment portal. Mr E was also instructed to set up accounts with numerous genuine cryptocurrency exchanges.

Over the next three weeks, Mr E made the following payments from his Revolut account to the cryptocurrency accounts he had set up. The funds were then used to buy cryptocurrency which Mr E then sent on to the scammer:

Payment no	Date and time	Payment type	Payee	Amount
Payment 1	6 April 2023 23:08	Card	Cryptocurrency exchange 1	£24.91
Payment 2	12 April 2023 03:51	Card	Cryptocurrency exchange 2	£1,000
Payment 3	12 April 2023 19:31	Card	Cryptocurrency exchange 3	£1,100
Payment 4	28 April 2023 2:13	Card	Cryptocurrency exchange 3	£800

Payment 5	29 April 2023 02:02	Card	Cryptocurrency exchange 3	£630
Payment 6	29 April 2023 10:55	Card	Cryptocurrency exchange 4	£2,471.83
Payment 7	29 April 2023 18:29	Card	Cryptocurrency exchange 5	£2,459.13
Payment 8	29 April 2023 19:03	Card	Cryptocurrency exchange 5	£39.66
			Total loss	£8,525.53

The payments that left Mr E's Revolut account were facilitated by incoming payments from accounts Mr E held with third-party banks.

Mr E made the payments at the request of the scammer believing he was trading in cryptocurrency and each time he topped up his account on the fake investment portal, he could see the corresponding funds crediting his account. He could also see the proposed profits. Mr E was then told he could withdraw his funds, but he would need to pay fees first in order to allow the withdrawal.

Mr E says he realised he'd likely been the victim of a scam when the scammers kept asking him for more and more money but he hadn't been able to withdraw any of his capital or profits. At this point, Mr E realised he wasn't dealing with a genuine company and so he reported what had happened to him to Revolut.

Revolut declined to provide Mr E with a refund of the amount lost. It said it had reached out to Mr E to raise chargeback claims but they had not been successful. Revolut also said that as Mr E had initially sent the scam funds to cryptocurrency wallets in his own name, his

Revolut account was not the point of loss. It also said Mr E had failed to carry out any due diligence before proceeding with the payments from his account.

Unhappy with Revolut's response, Mr E brought his complaint to this service, via his representatives. One of our investigators looked into things. The investigator recommended that the complaint be partially upheld. They said that by the time Mr E attempted to make the 6th payment from his account, Revolut should've flagged the transaction as suspicious and contacted Mr E to discuss it before it was allowed to leave his account. The investigator said that had Revolut done so, Mr E's loss could've been prevented from this point onwards and so they recommended that Revolut refund Mr E from Payment 6 onwards.

Mr E agreed with our investigator's findings but Revolut did not. It reiterated that the point of loss was not Mr E's Revolut account so Revolut should not be held liable for the loss now. As an informal agreement could not be reached, the case has been passed to me for a decision.

What I've provisionally 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 deciding what's fair and reasonable, I am required to take into account relevant law and regulations, regulators' rules, guidance and standards, and codes of practice; and, where appropriate, I must also take into account what I consider to have been good industry practice at the time.

In broad terms, the starting position at law is that an Electronic Money Institution ("EMI") such as Revolut is expected to process payments and withdrawals that a customer authorises it to make, in accordance with the Payment Services Regulations (in this case the 2017 regulations) and the terms and conditions of the customer's account. 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.*

Should Revolut have recognised that Mr E was at risk of financial harm from fraud?

I agree with our investigator in that I don't think the first five payments were so unusual that they should've prompted intervention from Revolut. The payments were all for relatively modest amounts and were spread out over three or so weeks. So, I don't think there was anything so inherently suspicious about these payments that meant they should've prompted further questioning by Revolut before they were allowed to leave Mr E's account. However, I don't agree that Payment 6 warranted any further intervention from Revolut either. Whilst acknowledge that this was the second payment being made to a cryptocurrency provider in a short timeframe and the payments were now increasing in value, I still don't think this payment was so inherently suspicious that it should've prompted an intervention by Revolut.

I am however persuaded that Revolut should've had concerns about the activity on Mr E's account once he attempted to make Payment 7. This was the third payment that was being made from Mr E's account to a known cryptocurrency provider in less than 24 hours and Mr E's total outlay was now significant in value. So, by this point, I'm satisfied that the activity on Mr E's account had started to bear some of the hallmarks of a scam.

Taking the above factors into account, I'm satisfied that when Mr E attempted to make this payment, Revolut should have considered that he could be at heightened risk of financial harm from fraud. In line with good industry practice at the time, Revolut should therefore have provided a warning before it allowed the payment to be processed.

What kind of warning should Revolut have provided?

I've thought carefully about what a proportionate warning in light of the risk presented would be in these circumstances. 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 the payment was made.

Taking the above into account, I think Revolut, knowing the payment was going to a cryptocurrency provider, ought to have provided a warning (whether automated or in some other form) that was specifically about the risk of cryptocurrency scams, given how prevalent they had become by mid-2023. In doing so, I recognise that it would be difficult for such a warning to cover off every permutation and variation of cryptocurrency scams, without significantly losing impact. So, at this point in time, I think that such a warning should have addressed the key risks and features of the most common cryptocurrency scams – cryptocurrency investment scams.

The warning Revolut ought fairly and reasonably to have provided should have highlighted, in clear and understandable terms, the key features of common cryptocurrency investment scams, for example referring to: an advertisement on social media, promoted by a celebrity or public figure; an 'account manager', 'broker' or 'trader' acting on their behalf; access to a fake trading platform; the use of remote access software and a small initial deposit which quickly increases in value.

I recognise that a warning of that kind could not have covered off all scenarios. But I think it would have been a proportionate way for Revolut to minimise the risk of financial harm to Mr E by covering the key features of scams affecting many customers but not imposing a level of friction disproportionate to the risk Payment 7 presented.

If Revolut had provided a warning of the type described, would that have prevented the further losses Mr E suffered?

I think that most consumers would take note of, and be positively impacted by, the type of intervention I've described, and I haven't seen anything to suggest Mr E wouldn't have been.

I can see from the evidence Mr E provided that the scam he fell victim to carried some of the key features of cryptocurrency investment scams, so I think that a warning highlighting the key features of common cryptocurrency investment scams would most likely have resonated with him and made him think twice before proceeding with the payment in question.

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

In reaching my decision about what is fair and reasonable, I have taken into account that the payments which ultimately funded the scam were paid into Mr E's Revolut account from other accounts held in Mr E's name with different regulated financial businesses, and that the disputed payments went from Revolut to cryptocurrency exchange accounts in Mr E's name.

I have carefully considered Revolut's view that it merely acted as an intermediate link – being neither the origin of the funds lost nor the point of loss. But as I've set out in some detail above, I think that Revolut should still have recognised that Mr E might have been at risk of financial harm from fraud when he made Payment 7, and in those circumstances it should have intervened proportionately. If it had, I'm satisfied that it would most likely have prevented the further losses Mr E suffered. The fact that the money used to fund the scam came from elsewhere and/or wasn't lost at the point it was transferred to another of Mr E's

own accounts does not alter that fact and I think Revolut can fairly be held responsible for Mr E's losses in such circumstances. I don't think there is any point of law or principle that says a complaint should only be considered against either the firm that is the origin of the funds or the point of loss.

Overall, I am satisfied that it would be fair to hold Revolut responsible for Mr E's loss from Payment 7 onwards (subject to a deduction for Mr E's own contribution which I will consider below).

Should Mr E bear any responsibility for his losses?

In considering this point, I've taken into account what the law says about contributory negligence as well as what's fair and reasonable in the circumstances of this complaint. I recognise that, as a layman who claims to have little investment experience, there were aspects to the scam that would have appeared convincing. I've taken into account the provision of the trading platform, which based on what Mr E has said, appeared genuine.

My intention is not to further Mr E's distress where he's already been the victim of a cruel scam. But despite the overall plausibility of the scam, I am satisfied that Mr E should've had serious concerns about what he was being told by the scammers from the outset and that he should've questioned the legitimacy of the supposed investment. Specifically, I've taken into account:

- Mr E didn't seek to independently verify the information he was being provided with by the scammers.*
- The profits being offered to Mr E and the timescale to receive them in were too good to be true. The chats between Mr E and the scammers suggest returns of 1000% over a couple of days without any risk. And so, I'm satisfied that what was being offered here was so unrealistic and unlikely that Mr E ought reasonably to have had significant concern about the legitimacy of the opportunity that was presented to him. That, in turn, ought to have led to a greater degree of checking on his part.*
- The supposed investments and coaching was taking place over a social media chat service which is not a legitimate way to arrange high value investments.*

So, overall, I've concluded on balance, that Revolut can fairly reduce the amount it pays to Mr E because of his role in what happened. Weighing the fault that I've found on both sides, I think a fair deduction is 50%.

Could Revolut have done anything else to recover Mr E's money?

I've also thought about whether Revolut could have done more to recover the funds after Mr E reported the fraud. However, the card payments were used to purchase cryptocurrency via Mr E's own accounts. So, I'm not persuaded there would have been any reasonable

prospect for a chargeback claim succeeding, as the merchant would be able to demonstrate that it had provided the goods/services that had been purchased using the debit card (in this case, the cryptocurrency that was then sent on to the scammer). So I don't think there was anything more Revolut could've done to recover the money in these circumstances."

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, I'm minded to reach the same overall conclusion as I reached in my provisional decision. I'll explain why.

Mr E responded to my provisional decision to say he accepted my findings. Revolut responded to say it had nothing further to add.

As neither party has put forward any additional evidence or arguments for me to consider, I see no reason to depart from the conclusions I reached in my provisional decision and I partially uphold this complaint.

My final decision

For the reasons given above, I uphold this complaint in part. Revolut Ltd should now pay Mr E:

- 50% of his overall loss, from and including, Payment 7
- 8% simple interest per year on that amount from the date of each payment to the date of settlement.*

*If Revolut Ltd considers that it's required by HM Revenue & Customs to deduct income tax from that interest, it should tell Mr E how much it's taken off. It should also give him a tax deduction certificate if he asks for one, so he can reclaim the tax from HM Revenue & Customs if appropriate.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr E to accept or reject my decision before 8 September 2025.

Emly Hanley Hayes
Ombudsman