DRN-5749225

The complaint

Mr O is unhappy that Revolut Ltd won't reimburse money he lost to a scam.

Mr O has brought his complaint with the assistance of a professional representative, but for ease I'll refer to all the submissions as being from Mr O.

What happened

On 22 July 2025 I issued my provisional decision on this complaint. I wanted to give both parties a chance to provide any further evidence or arguments before I issued my final decision. That provisional decision forms part of this final decision and is copied below.

What happened

In June 2023 Mr O saw an advert on a popular social media platform offering an opportunity to learn how to trade and invest. After completing an online form he received a call from a person who Mr O understood to be a 'broker' who said he'd explain how Mr O could trade with a company I'll call 'E' and told him to download remote access software. The scammer also told Mr O to open an account with Revolut, which he did on 26 June 2023. Unfortunately, Mr O wasn't dealing with a legitimate investment company but with scammers.

Mr O used his Revolut account to buy cryptocurrency on cryptocurrency platforms but says that he wasn't in control of the crypto accounts or of the trading which the 'broker' did on his behalf. When he invested he saw his profits appear to steadily increase on E's trading platform.

But when the scammer later told Mr O to take out a loan to fund further investments using false information he realised, after speaking with his wife, that he'd been the victim of a scam.

On 23 November 2023 Mr O reported the scam to Revolut and complained it had not intervened. He disputed several card payments of around £4,500 in total that he'd made from his Revolut account to various cryptocurrency platforms over the period 26 July 2023 to 18 September 2023. The relevant card payments (and two credits) to and from cryptocurrency exchanges are as follows:

	Date & time (where relevant)	*Payee*	
1	*26.07.2023*	*Payee 1*	*£193.89*
2	*14.08.2023*	*Payee 2*	*£750.00*
(Credit)	*21.08.2023*	*Payee 3*	*£183.05*

3	*21.08.2023*	*Payee 4*	*£200.00*
(Credit)	*31.08.2023*	*Payee 3*	*£373.37*
4	*31.08.2023*	*Payee 4*	*£350.00*
5	*18.09.2023 15:15:00*	*Payee 2*	*£999.00*
6	*18.09.2023 15:16:19*	*Payee 2*	*£998.00*
7	*18.09.2023 15:18:05*	*Payee 2*	*£999.00*

Mr O said that he'd been vulnerable at the time of the payments, having recently lost his business and he'd also suffered poor mental health as a result.

Revolut didn't accept Mr O's complaint, referring him to its terms and conditions about account security. Revolut said any potential chargeback of the disputed transactions would not be valid under the card scheme rules, noting that he'd authorised the payments using the 3D Secure (3DS) security system.

Unhappy with the outcome, Mr O asked this Service to look into his complaint.

In its submissions, Revolut made some additional arguments, which I'll summarise:

- *Mr O acted with a 'lack of diligence' because he didn't explore the risks or research E. If he had done, he'd have seen a lack of online presence and a bad trust score. He'd also have seen that E was the subject of a Financial Conduct Authority (FCA) warning to avoid it as E was involved with fraudulent activities.*
- *Mr O acted with 'gross negligence' by sending money to crypto accounts without being aware of the risk of such activities.*
- *The role of other financial businesses (including any interventions or warnings they might have provided) needs to be considered.*
- *The Financial Ombudsman should inform Mr O that it might be appropriate to make a complaint against another respondent.*

Our Investigator didn't uphold the complaint. He didn't think Revolut should have intervened in the payments. He noted three payments were made in quick succession on 18 September 2023 and was of the view that a fourth payment on 18 September 2023 might reasonably have 'triggered' an intervention. But even if there had been an earlier intervention our Investigator wasn't persuaded that this would have prevented Mr O's loss. He noted that Mr O had previously used different crypto exchanges when a payment had been declined and thought it was likely he'd have done that even if Revolut had intervened. Mr O didn't recognise he'd been the victim of a scam until November 2023.

Mr O asked for an Ombudsman's decision. In brief summary, he said:

- *He disagreed that only a fourth payment on 18 September 2023 would have 'triggered' an intervention, because interventions by banks are not just triggered by amounts of transactions. Rather, internal banking systems use multitudes of information when checking what is normal and usual expenditure for a consumer.*

- *We have no evidence that he would have proceeded with the payments had Revolut intervened – this is speculative. The point remains that Revolut did not intervene when it should have done during unusual activity which clearly, compared to his regular payments, indicated the potential for financial harm.*

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 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 O was at risk of financial harm from fraud?

I've set out the circumstances that led Mr O to make the payments using his Revolut account and the process by which that money ultimately fell into the hands of the scammers. But I am mindful that, at the time, Revolut had much less information available to it upon which to discern whether any of the payments presented an increased risk that Mr O might be the victim of a scam.

I don't think the pattern and amounts of card payments one to four, even though they were going to cryptocurrency, ought to have looked suspicious to Revolut. The amounts of the payments would not, of themselves, have raised concerns and were made over a period of just over a month.

But the pattern of payments changed on 18 September 2023, when Mr O made payments five, six and seven. Here, he made three consecutive card payments for £999, £998 and £999 respectively over a period of just four minutes to a known cryptocurrency provider. The payments followed a £3,000 credit to the account and drained the account balance. Given *the pattern and value of the payments, made in quick succession to a well known cryptocurrency provider, I think Revolut should reasonably have identified that Mr O might be at risk of financial harm from fraud.*

I've taken into account that one of Mr O's account opening reasons was 'crypto'. But I think it was a combination of the characteristics of the payments being three payments of almost identical amounts made in quick succession to a cryptocurrency provider which ought to have prompted a warning. I would have expected Revolut to recognise the heightened risk of financial harm and to intervene, and I think this intervention should have been made at payment seven.

What did Revolut do to warn Mr O?

Revolut has said that Mr O authorised the payments using the 3DS method, and that's not in dispute. But it didn't give Mr O any warning or intervene in the payments.

What kind of warning should Revolut have provided?

I think a proportionate response to the risk payment seven presented would have been for Revolut to have attempted to establish the circumstances surrounding the payment before allowing it to debit Mr O's account.

By September 2023 when these payments took place, taking into account evolving good industry practice, as well as the FCA's Consumer Duty, I think that Revolut should have asked a series of questions about the payment Mr O was making in an attempt to narrow down the specific scam risk. Once that risk had been identified, Revolut should have provided a warning which covered off the key features of the scam risk identified. As Revolut knew, or ought to have known that the payments were going to a cryptocurrency provider, it ought to have factored this into the questions it asked.

In this case, Mr O was falling victim to a cryptocurrency scam, so I'd expect such a warning to highlight 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; 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 O by covering the key features of scams affecting many customers but not imposing a level of friction disproportionate to the risk the payment presented.

If Revolut had provided a warning of the type described, would that have prevented the loss Mr O suffered from payment seven?

I've carefully considered whether it is likely that Mr O would have made the final payment of £999 had Revolut intervened, and, on the balance of probabilities, I don't think it's likely he would have done so. I say this for the following reasons:

Mr O had downloaded remote access software onto his device at the request of the scammers. But he's said the scammers used this software to make the 'trades'. Mr O made and authorised the card payments himself, so I think it's likely he'd have answered any questions himself about the payment and that he'd have seen any scam warning provided.

I've noted that Mr O had attempted to make two payments from his Revolut account to payee three on 18 September 2023 at 15:05 and 15:08. But these payments were attempted before payments five, six and seven. I don't think these attempted payments or the ones that were made earlier in the scam show that Mr O wouldn't have responded to any scam intervention and warning by Revolut.

Indeed, Mr O did respond immediately when the scammers asked him to complete incorrect information to secure a loan for further investment. He discussed the matter with his wife who suggested it might be a scam. I think this shows that he was open to be educated about the possibility of fraud.

The cryptocurrency scam warning that Revolut should have provided would, in my view, have likely resonated with Mr O because the scam he'd fallen victim to included many of the same features: being contacted on social media; a 'broker' acting for him; remote access software; and a small initial deposit rising to a larger deposit of (just under) £3,000.

Our Investigator asked Mr O's high street bank 'B' whether it had given him any warnings when he transferred money from B to his Revolut account. B has said that when he made the first payment on 28 June 2023 he put 'new account' as the reference and the payment purpose as 'something else'. In response to this Mr O was given a warning:

> *'Could this be a scam?*
>
> *If someone claims to be from a bank, the police or a well-known company and tells you to move money out of your account, stop – this is a scam.*
>
> *Scammers can also post adverts on reputable websites and social media – do your research first.*
>
> *If you've been contacted by a company, always phone back on a trusted number – like one from an official website.*
>
> *Be cautious if you've been told to pay an upfront fee to receive a loan or service.*
>
> *Stop. Challenge. Protect.'*

While I've noted the warning about scammers posting adverts, I don't think the overall message would have resonated with Mr O such that he would have realised he was falling victim to a scam.

I've thought about whether Mr O should have selected the payment 'investment' instead of 'something else' (as I understand B gives 'investment' as an option) and whether he would have given a correct payment purpose to Revolut. But unlike the payment from B to Revolut, Mr O's card payments five, six and seven were identifiably to a cryptocurrency provider. And, as Revolut knew, or ought to have known that the payments were going to a cryptocurrency provider, it ought to have factored this into the questions it asked. So I think it likely that the scam would have been uncovered.

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

I have taken into account that Mr O remained in control of his money after making the payments from Revolut, albeit he says the money was then moved on by the scammers using remote access software. But Revolut should still have recognised that Mr O was at risk of financial harm from fraud, made further enquiries about payment seven and ultimately prevented Mr O's loss from that point. I think Revolut can fairly be held responsible for

Mr O's loss from payment seven in such circumstances.

While I have considered all the facts of the case, including the role of other financial institutions involved, Mr O has chosen not to complain about his bank B and I cannot compel him to do so. And, I do not think it would be fair to reduce Mr O's compensation because he's only complained about one firm, as I consider that Revolut should have prevented the loss from payment seven.

Should Mr O bear any responsibility for his loss?

In considering this point, I've taken into account what the law says about contributory negligence as well as what I consider to be fair and reasonable in the circumstances of this complaint.

Having done so, I think Mr O should fairly bear some responsibility for his loss and I think a fair deduction is 50%. I'll explain why.

Having thought about the matter carefully, I can see there were aspects of the fraud that Mr O found credible. The initial payments he made to the scammers appeared on E's trading platform, which he thought was professional and he would have found this reassuring. Also, he says that he was able to withdraw fairly small amounts. The profits appeared to grow over time as he'd been led to believe by the scammers.

But I think Mr O could have taken further steps to satisfy himself about the investment opportunity, to include the training he would receive in order to trade himself. He has not been able to provide any contracts or paperwork explaining how the investment or training would work. It's not clear that he carried out any research about E, and had he done he might have come across negative reviews.

I've noted Revolut's point that the scam company was subject to an FCA warning on 12 September 2023, which was before payments five, six and seven were made on 18 September 2023. But I don't think Mr O would reasonably have been aware of that, as any searches he made were likely to be at the time he began investing (June 2023).

I've also considered the issue of 'gross negligence'. The mandatory reimbursement scheme rules aren't relevant to these transactions, so gross negligence isn't the standard to consider Mr O's actions against.

I'm sorry to learn of Mr O's circumstances and I've thought about what he's said about his vulnerability due to the loss of his business and resulting poor mental health. It's not clear to me that Revolut would have been aware of that, at the time the scam took place. And while I understand his circumstances were difficult, I think it's fair that Mr O contribute to the loss for the reasons I've explained.

Could Revolut reasonably have recovered the funds?

I'm not persuaded there were any prospects of Revolut successfully recovering the funds, given the time that elapsed before the scam was reported. Also the 'service' (of loading funds into cryptocurrency exchange accounts) would have been provided by each of the cryptocurrency exchanges involved and Mr O did not have control of the cryptocurrency wallets.

My provisional decision

For the reasons I've explained, my provisional decision is that I intend to uphold this *complaint in part and require Revolut Ltd to pay Mr O:*

- *£499.50 being 50% of payment seven plus interest* on £499.50 at the simple rate of 8% per year from the date of 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 O how much it's taken off. It should also give Mr O a tax deduction certificate if he asks for one, so he can reclaim the tax from HM Revenue & Customs if appropriate.*

Mr O responded to say he accepted my provisional decision.

Revolut responded to say it had nothing further to add and would await my final decision.

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.

Mr O has responded to accept my provisional decision and Revolut has nothing further to add. As I've not received any further evidence to consider I see no reason to depart from the findings I reached in my provisional decision. I confirm those findings here for the reasons set out in my provisional decision.

Revolut must now take the steps set out below.

Putting things right

I require Revolut Ltd to pay Mr O:

- £499.50 being 50% of payment seven plus interest* on £499.50 at the simple rate of 8% per year from the date of 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 O how much it's taken off. It should also give Mr O a tax deduction certificate if he asks for one, so he can reclaim the tax from HM Revenue & Customs if appropriate.

My final decision

For the reasons I've explained, my final decision is that I uphold this complaint in part and I require Revolut Ltd to take the steps set out in the 'Putting things right' section above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr O to accept or reject my decision before 9 September 2025.

Amanda Maycock
Ombudsman