

The complaint

Mr A is unhappy Revolut Ltd didn't refund payments he made as part of a scam.

Mr A brings his complaint via professional representatives, but for simplicity I've referred to the actions of Mr A throughout this decision.

What happened

In late 2023 Mr A saw what appeared to be a celebrity discussing a particular cryptocurrency investment opportunity, that was catered towards beginners, on a popular television show. He registered his details with the company, I'll call "B", and was contacted by an agent who showed him a professional looking website and trading platform. After doing some research and not seeing anything negative about B, Mr A decided to invest.

Much of the 'investment advice' was given over the phone, and Mr A was instructed to open up a cryptocurrency wallet as well as download 'AnyDesk' (screensharing software) so he could see the trading being done on his behalf. Mr A made an initial payment of £250 using his credit card and other smaller payments from another account. Those went to an account at a cryptocurrency exchange that he had control over, I'll call "K", and were then withdrawn to the wallet address given to him by the scammers. Mr A saw the profits generated increase significantly over the next few weeks – until eventually he was able to withdraw £1,000 from the 'trading account' into his cryptocurrency wallet.

Encouraged by the profits seen, and being able to withdraw some, Mr A was then advised to open an account with Revolut to invest larger amounts. He was told to send funds from his main bank accounts to Revolut, and from there transfer them to B's platform. He sent the following payments as part of the scam from his Revolut account, usually with the scammers assisting him over the phone:

Payment	Date	Time	Type/Payee	Amount
1	18 December 2023	13.55	Faster payment to O	£885
2	8 January 2024	16.24	Faster payment to S	£4,991
3	18 January 2024	16.40	Faster payment to O	£9,486
4	23 January 2024	10.40	Faster payment to O	£9,821
5	31 January 2024	9.49	Faster payment to O	£12,317
6	2 February 2024	9.39	Faster payment to O	£10,145

Mr A thought the transfers were going to a trading account in his name, but most of them were in fact going to the payment account for a company I'll call "G" (which was seemingly

cryptocurrency related), held at an institution I'll call "O" (who provided the payment services for G). It seems likely the scammers had an account with G, as Mr A lost control of the funds once they were sent to O. He also sent funds to S, and it's unclear if this was cryptocurrency related too, but he didn't have access to that account either.

Revolut recognised Mr A might be at risk of being scammed on the first payment, forth one, and last transfer. On the first payment Revolut asked some automated questions, including what the purpose of it was – to which Mr A said 'transfer to my other account'. He also confirmed he wasn't being assisted, and it was going to his checking or savings account. As a result Revolut displayed impersonation and safe scam warnings.

The same automated questions were asked by Revolut for payments 4 and 6, and Mr A gave the same answers. He was shown warnings again for payment 4, but Revolut pulled him into a chat to discuss the last transfer for £10,145 further. Mr A told Revolut he was moving money between his accounts, and when asked to clarify why he told the agent *"I am moving money so that I can use my Revolution account and can access the benefits"*. He added that he wasn't being guided and hadn't been asked to download remote access software, before Revolut released the payment.

The final two payments Mr A sent were supposedly for fees and charges following a request to withdraw some of his profits. After paying those Mr A was asked for a substantial amount of further fees to be paid up front before the funds could be released – which is when he realised he'd been scammed. Mr A reported the fraud and raised a complaint, via representatives, in March 2024. Revolut responded with questions about the origin of the funds and the cryptocurrency deposits into the account. It says it didn't hear back from Mr A, so issued a final response saying it didn't have enough evidence to reach an outcome on the fraud claim. Revolut had also contacted the beneficiary institutions (S and O) but no funds remained in either account to be recalled at that point.

Unhappy with the response, Mr A referred his complaint to our service for review. One of our investigators considered everything and didn't think the complaint should be upheld. In his view, Revolut had correctly identified Mr A might be at risk and asked him about three of the payments. But he'd provided incorrect information during the interventions, which hid the true risks involved and had reassured Revolut everything was fine. The warnings displayed were also based off the purpose Mr A selected for the transfers. So the investigator didn't think Revolut could fairly have been expected to do more in the circumstances.

Mr A didn't agree with the investigator's opinion, and thought the warnings provided were generic and weren't relevant to the context of the scam. He thought further probing from Revolut was needed given the value of the payments. As no agreement could be reached, Mr A asked for an ombudsman to review the matter – so the case was passed to me to decide.

I issued a provisional decision, upholding the complaint in part – and have copied below the part of those findings setting out my rationale for the outcome:

"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 Electronic Money Institutions ("EMI's") such as Revolut are expected to process payments and withdrawals that a customer authorises them 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 in January 2024 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 their customers were at risk of fraud (among other things). 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 – (as in practice Revolut sometimes do);*
- have been mindful of – among other things – common scam scenarios, how the 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.*

Revolut has a difficult balance to strike in how it configures its systems to detect unusual activity or activity that might otherwise indicate a higher than usual risk of fraud. There are many millions of payments made each day and it would not be possible or reasonable to expect firms to check each one. In situations where they do (or ought to) intervene, I would expect that intervention to be proportionate to the circumstances of the payment.

Were Revolut's fraud intervention proportionate to the risks?

The first payment wasn't concerningly high in value, but it was going to a new payee on a new account. Mr A told Revolut it was going to another account in his name, and O is a regulated payment services provider, so that purposes wasn't inconsistent with what was known about the beneficiary. I don't think Revolut could have reasonably identified O was definitely cryptocurrency related – even though O does provide those services among others. There also wasn't a confirmation of payee available to disprove the account wasn't in Mr A's name. So I think the warnings Revolut displayed prior to allowing the transfer, based on the automated answers Mr A gave, were proportionate to the risks at that point.

Revolut didn't intervene on the second payment to S, and I wouldn't have expected it to. I don't think the amount was high enough to represent a fraud risk, it was going to a UK account in a company name, and there wasn't a history of usage available for Revolut to know whether it was out of character for Mr A's typical spend. Even if Revolut had asked automated questions, it's likely the scammer would have guided Mr A through to a warning that didn't resonate (for instance by selecting the purpose as buying goods and services).

The third payment was definitely a jump in value, but there had been a significant gap of a month since the first payment to O – which Revolut had been told was Mr A's account – and 10 days since the last payment out to S. Funds were being paid into the Revolut account, from different sources, and then transferred straight out to another account (at O) shortly after – which was odd. But I don't think a pattern of concerning activity had been established

by that point, and an automated intervention would have likely yielded the same results it did for the payment after this. So, as a warning is the most I'd have expected, I don't think the scam would have likely been uncovered or further loss prevented even if Revolut had done more.

Revolut did intervene on the fourth payment, and was told the same answers as it was on the first payment to O – those didn't highlight any additional risks (though we know Mr A was being coached to hide the true nature of things). Again the time gaps between the payments to this account would have been reassuring to Revolut, as it gave more chance for issues to come to light, and it was similar in size to the one made 5 days prior. So I think the warning it provided was reasonable in the circumstances.

However, by the time the fifth payment was made I do think the amount had become concerningly large – and was a serious enough increase on the previous amounts. That brought the total going out of the account to O in less than two weeks to around £30,000. This was still a new account and these payments (plus the deposits to fund them) were the only activity on it – and I think a concerning pattern had emerged by this point. Particularly the large amounts quickly going in and out of the Revolut account, funded from multiple sources, including cryptocurrency. There was seemingly no good reason why those funds couldn't go straight to O, rather than through this account first. Revolut had been told O was account in Mr A's name, but it didn't know that either – and I think the activity leading up to this very large payment meant further checks were needed to verify what he was doing.

Revolut did pull Mr A into a chat with an agent for questioning on the last payment, which gives us some indication of what might have happened if it had done that prior to the £12,317 transfer. Mr A's response when asked why he was transferring money to O made no sense, and was clearly a line fed to him by the scammer. It might have worked as a cover story for earlier in the payment journey, if questioned about the payments going to Revolut, but it didn't work in this context. Mr A was sending money into and straight out of Revolut, rather than making use of the benefits of the account, as he claimed. So that answer should have sparked concern, and some further probing.

While I think Mr A would have likely tried to hide what he was doing if questioned before processing payment 5, I'm persuaded the conversation would have gone similarly to what happened later, given he was following the scammer's instructions for all. The scammers clearly didn't have a persuasive or coherent cover story ready for him either. Bearing in mind Revolut had shown Mr A safe account scam warnings on two occasions prior to this point, and there was no good explanation for why he was sending money through this account to O (a clear indicator of multi-stage fraud), I think Revolut ought have been seeking something to corroborate what he was doing. That could have involved seeing statements for the account at O to show it was under his control, which he couldn't have provided.

I'm persuaded that reasonable questioning about the circumstances before payment 5 ought to have unravelled things – and asking for some evidence of what he was doing would either have revealed the underlying cryptocurrency investment (and that he'd hid the true nature of the payments previously), or Revolut wouldn't have been satisfied enough he wasn't at risk to have released the funds. The cryptocurrency transactions on the account just before this transfer would also have given Revolut an indication of the type of scam that could be involved here. Once forced to come clean, the circumstances here were so indicative of a scam (the celebrity endorsement, the upfront withdrawal fees he was being asked to pay, the returns that were way too good to be true, the use of remote access software) that I think any details shared would have been a red flag for Revolut. So I'm persuaded that a proportionate intervention before payment 5 would have likely prevented any further loss occurring.

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

Revolut has argued that as these were self-to-self transactions (going to an account under Mr A's control and in his name) the money wasn't lost at that point, and so these don't meet the definition of Authorised Push Payment fraud. It doesn't really matter how the transactions are technically defined – even if these did go to an account in Mr A's name, they still indicated he was falling for a scam, and intervening appropriately would have prevented the loss from payment 5, so Revolut can fairly be held liable. But I'm not persuaded these were self-to-self transactions, as O has said the account wasn't actually in Mr A's name, and I don't think he had any control over it (the scammers did).

While I have considered all of the facts of the case, including the role of other financial institutions involved, Mr A has chosen not to complain about any other firm and I cannot compel him to do so. I also do not think it would be fair to reduce Mr A's compensation because he's only complained about one firm, as I consider that Revolut should have prevented the loss. I have, however, considered information from the other firms involved as part of reaching my decision – and there isn't any evidence of a meaningful intervention elsewhere, that changes my mind about the prospect of one from Revolut working if it had been done.

Should Mr A bear any responsibility for his losses?

I've thought about whether Mr A should bear any responsibility for his loss. In doing so, I've considered what the law says about contributory negligence, as well as what I consider to be fair and reasonable in all of the circumstances of this complaint, including taking into account Mr A's own actions and responsibility for the losses he has suffered.

I recognise that there were sophisticated aspects to this scam, including a trading platform that looked very professional, and several calls with the scammers where various trades and investment options were explained in detail. I also note that Mr A did get some returns that would have made things seem more persuasive and plausible, and he invested cautiously to begin with (from his other account). The celebrity endorsement no doubt served as reassurance it was a legitimate opportunity too.

But by the time I've said Revolut ought to have been able to uncover the scam, before payment 5, I think there were clear indicators missed by Mr A that this might not be a genuine investment. The returns Mr A was seeing on the platform, in a relatively short space of time, ought to have seemed too good to be true – even based on what he might have heard about the money to be made in cryptocurrency. He's also confessed that he didn't really understand where the scammers were instructing him to send the funds, or why different beneficiary wallets and accounts being used – and I haven't seen that he challenged this. Payment 5 was the first of two substantial payments to cover charges and costs related to his withdrawal request – and it should have struck Mr A as odd that he was able to withdraw previously without paying fees of that nature.

I appreciate Mr A was instructed on how to answer the security questions by the scammer, and that he found the reason given for misleading Revolut plausible (that the banks are anti-cryptocurrency and want to keep funds within the banking system). But Revolut promotes itself as cryptocurrency friendly, with its own exchange services – which Mr A had used prior to payment 5. So what the scammer was telling him shouldn't have rung true. It also should have struck him as odd that a professional investment advisor was advising he lied to another financial firm. I think the warning Revolut provided, that if you are being told to hide what you're doing when answering the security questions then you're being guided by a scammer, was stark and should have resonated with what was happening.

There were enough red flags evident by the time payment 5 was made that I consider it would have been reasonable for Mr A to have conducted some further research before making it. I've seen there were lots of negative reviews posted on Trustpilot and other websites about B, from before he started investing, that I think he'd have seen had he researched the opportunity further. So, for the reasons I've given, I've decided Mr A should fairly contribute to the loss from payment 5 onwards, as he ought to have taken steps to prevent that money being sent to the scam. That means I'm applying a 50% reduction to the refund due on the last two payments, so that Revolut and Mr A both equally share responsibility for the preventable loss.

I don't think the deduction made to the amount reimbursed to Mr A should be greater than 50%, taking into account all the circumstances of this case. I recognise that Mr A did have a role to play in what happened, and it could be argued that he should have had greater awareness than he did that there may be something suspicious about the opportunity. But I have to balance that against the role that Revolut, an EMI (at the time) subject to a range of regulatory and other standards, played in failing to intervene proportionately. The mandatory reimbursement scheme rules aren't relevant to these transactions either – so 'gross negligence' isn't the standard to consider Mr A's actions against.

Mr A was taken in by a cruel scam – he was tricked into a course of action by a fraudster and his actions must be seen in that light. I do not think it would be fair to suggest that he is mostly to blame for what happened, taking into account Revolut's failure to recognise the extent to which he was at risk of financial harm from fraud, and given the extent to which I am satisfied that a business in Revolut's position should have been familiar with a fraud of this type. Overall, I remain satisfied that 50% is a fair deduction to the amount reimbursed in all the circumstances of the complaint.

I've thought about whether Revolut could have done more to recover the payments, and I'm satisfied it couldn't have. Some time had passed between the payments being sent and the fraud being reported to Revolut, that meant it was less likely any funds remained to be recovered (as scammers tend to move stolen money on quickly to evade recover attempts). But Revolut did reach out in a timely manner to the operators of the beneficiary accounts, and unfortunately no funds remained in them to be recalled. I also haven't seen any service issues that I consider would warrant a further award – and the interest applied to the redress will fairly compensate Mr A for the time he was deprived of use of those funds."

Mr A responded to say he accepted my findings. Revolut said it had nothing further to add and would await the final decision being issued.

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've decided to partially uphold Mr A's complaint. Bearing in mind the replies I received to my provisional decision, I see no reason to depart from the findings I set out in that previously – and maintain that outcome is fair and reasonable for the same reasons.

Putting things right

In order to settle the complaint, for the reasons given above, I'm directing Revolut Ltd to:

- Refund 50% of payments 5 and 6.
- Apply 8% simple interest yearly to those refunds, calculated from the date of the

transactions until the date of settlement.

If Revolut considers that it's required by HM Revenue & Customs to deduct income tax from that interest, it should tell Mr A 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.

My final decision

My final decision is I uphold Mr A's complaint about Revolut Ltd in part, and direct the firm to settle the matter in line with what I've set out above (in the 'putting things right' section).

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 11 September 2025.

Ryan Miles
Ombudsman