

The complaint

Mr K, who is represented, complains that Revolut Ltd wouldn't reimburse him funds he lost after he was the victim of fraud.

What happened

As the circumstances of this complaint are well-known to both parties, I have summarised them briefly below.

In late 2023, Mr K was interested in investing to earn extra income. After carrying out some research online he found a business, which I will refer to as E, and submitted an enquiry form via its website.

Mr K received a follow up call from a person I will refer to as D. D explained the investment opportunity to Mr K and provided advice on how to set up his account. That advice included a request to open a Revolut account for the purpose of converting his funds to crypto assets.

Mr K was told that once he'd sent on those crypto assets to E, it would invest them on his behalf for a profit.

Mr K opened a Revolut account as instructed and made the following payments:

Payment no. and date	Payment type	Amount
1. 16 August 2023	Exchanged to crypto via Revolut	£2,000
2. 17 August 2023	Exchanged to crypto via Revolut	£365
3. 6 September 2023	Transfer to third-party account	£14,000
4. 6 September 2023	Exchanged to crypto via Revolut	£2,000
5. 18 September 2023	Transfer to third-party account	£23,000
6. 18 September 2023	Exchanged to crypto via Revolut	£2,000

Once converted to crypto assets Mr K sent these on to digital wallets not within his control, as instructed by D.

Mr K uncovered the fraud when he was repeatedly asked to make further deposits when

attempting to withdraw his funds from E.

Mr K raised a claim with Revolut, pointing out that it ought to have done more to protect him. However, after considering his claim, Revolut didn't agree. He therefore brought his claim to our service for an independent review.

An Investigator considered the evidence provided by both parties and recommended the complaint be upheld. In summary, they found that Revolut ought to have carried out a better intervention from payment three in the table above. And had it done so, it likely would have prevented the fraud. But as Mr K could have done more to protect himself, he recommended that the liability of the loss from payment three be split between both Mr K and Revolut.

Mr K agreed, but Revolut did not. It argued:

- payments to a customer's own account don't meet the definition of an APP fraud. It shouldn't be responsible for its customer's loss where it is only an intermediate link in a chain of transactions.
- the role of other financial businesses (including any interventions or warnings they might have provided) needs to be considered.
- the Financial Ombudsman should inform the complainant that it might be appropriate to make a complaint against another respondent.

As Revolut disagreed, the matter was passed to me to decide.

On 31 July 2025, I issued provisional findings to both parties. That decision was as follows:

"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 done more to prevent Mr K from being defrauded?

I must first acknowledge that EMLs, such as Revolut, have a difficult task in balancing its requirements to process payments in line with its customer's instructions without delay and identifying and preventing payments that present a risk of fraud. This is especially so when considering the number of payments it processes daily.

Further, Mr K had opened the account on the same day he began to carry out transactions relating to this fraud. So Revolut didn't have the advantage of understanding Mr K's spending patterns to help it identify where those transactions might be out of character for his account.

For the above reasons, I don't find it unreasonable that Revolut didn't feel the need to intervene in the conversions to crypto Mr K made listed in the table above. While I realise these sums might not be insignificant to Mr K, they were for relatively low amounts, not in quick succession, and fell in line with what Mr K had listed as one of the reasons he'd opened the account for.

The bank transfers however were for significant sums. But I don't agree with the Investigator's assessment on the risk associated with these payments.

The payments were made to a standard UK based bank account, held with a third-party provider. Mr K had also placed the beneficiary's name of the account held at that bank as his own. And this couldn't be confirmed or denied through the confirmation of payee system as it wasn't supported. Revolut therefore had no indication the payments were being made for the purpose of purchasing crypto assets. They also fell in line with the account's intended purpose when setting it up, as Mr K told Revolut he'd be using the account to make transfers.

Taking all the above into consideration, the only apparent risk indicator here was that Mr K was making a transaction that was substantial in value and to new payee—which according to the information provided by Mr K was an account in his own name. For these reasons, I don't agree that Revolut ought to have intervened by contacting Mr K in relation to the first payment. Instead, I find an automated warning—based upon answers to questions about the payment purpose—was a reasonable and proportionate response here.

Revolut did ask a series of questions before processing this payment. It provided a list of reasons for the payment purpose. Among those was an option to choose "as part of an investment". But Mr K chose the option "transfer to my other account". Mr K was then presented with a number of further options as to the kind of account he was making payment to. Within this list, he was presented with an option that read "Investment, trading or pension account". But again, Mr K chose a different option which was "checking or savings account in another bank".

Presented with these responses, Revolut delivered tailored warnings relating to the responses given. And as none of the responses indicated investments, or the purchase of crypto assets, I don't find it unreasonable that warnings were not given in relation to these. That wasn't being presented as an apparent risk based on the information available.

Mr K made the second transfer 12 days later, so there didn't appear to be any urgency between the first payment and the second—something that can typically indicate fraud. This payment was also for a substantial sum. But by this point, Revolut were aware that Mr K had paid the beneficiary previously and therefore that it was an account that was in his name, trusted and low risk. For these reasons I again don't find a proportionate response to this payment was for Revolut to contact Mr K. There was little by way of risk indicators other than

the value of the payment being made.

Despite this, Revolut again asked the same series of questions to establish the purpose of the payment. Again, I find this to have been a proportionate response to the level of risk associated with the payment. And Mr K selected the same responses as he had the previous payment.

Overall, I find that the interventions made by Revolut were proportionate to the risk indicators present when processing the two payments. And as Mr K selected reasons that weren't entirely consistent with the payment purpose and account type he was making payment to, Revolut didn't provide warnings relating to investments or crypto assets. But instead delivered warnings that were relevant to the responses given.

For all the above reasons, I don't find Revolut made an error in processing the payments in the way in which it did here. I know that will come as a disappointment to Mr K, and I am sorry to hear about the loss he has suffered. But where Revolut have acted proportionately and taken into account the instructions he has provided it, it cannot fairly be held liable for his loss."

Both parties were given until 14 August 2025 to respond with any further comment or evidence. Revolut didn't have anything further to add. But Mr K's representative responded disagreeing with the findings. In summary, it asked for the following to be taken into consideration:

- the values of the bank transfers represented a substantial increase in value of the transactions typically seen on the account.
- these payments were also different to what Mr K had used the account for previously: namely, crypto asset conversions.
- Mr K was not dishonest about the payment purpose when presented with questions by Revolut.
- the payment was going to an account Revolut were unable to confirm the beneficiary's name of.

As both parties have now responded to my provisional assessment, I am able to issue 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.

Many of the points Mr K's representative has argued in response to my provisional findings are fundamentally a difference of opinion in terms of the outcome reached.

I have already explained, in detail, why I don't find the payments that were being made were suspicious enough to the extent that Revolut ought to have carried out a more in-depth intervention. But I will go over some of the points Mr K's representative has argued again to provide clarity.

Reference has been made in the representative's response that the third payment in the table above represented a 600% increase in value from the prior payments made. I have already acknowledged this in my provisional assessment and agree the amount being sent represented a risk. But as I have explained, this was the only risk indicator present.

This must fairly be countered with other evidence that Revolut had available to it at the time.

I have already mentioned these in my provisional assessment but will summarise them as:

- the account was newly opened. So a comparison of a 600% increase in spending to the initial two payments immediately before is unreasonable considering there was no prior activity to this for which it could make a comparison to *typical* activity.
- while there is a difference between crypto asset conversion—which was what Mr K had used the account for before—and bank transfers, Mr K told Revolut when opening the account that he would be using it for crypto and transfers. So this fell in line with how he told it he'd be operating the account.
- Mr K had indicated he was paying a bank account in his own name when making the transfers; this was true irrespective of Revolut's inability to confirm this with the receiving firm. And I don't find that a receiving firm's inability to provide a confirmation of payee result ought reasonably to be treated the same as a negative result: such as confirmation that the name does not match that of the receiving account holder.
- there wasn't any indication from the information input into the transaction authorisation that the funds were being paid for the purpose of crypto asset conversion, purchase or investment. This gave the transaction an appearance of a bank-to-bank transfer from one of Mr K's accounts to another.

Balancing the above against the payment being of a higher-than-average value, I remain of the opinion that the lower friction intervention Revolut decided to carry out was proportionate in the individual circumstances of this complaint.

Mr K's representative has emphasised in its response to my provisional findings that Mr K was not dishonest when questioned by Revolut about the purpose of the payment. I would like to point out that I have not made reference to any dishonesty in my provisional assessment.

While Mr K was technically transferring funds to an account in his name, it was for the purposes of an investment. And the type of account he was making payment to was not a regular (checking) or savings account. So the responses given were not entirely consistent with the true nature of the payments being made despite more accurate options being available to select.

As Revolut had no indication Mr K was making a payment for the purposes of an investment, I don't find it unreasonable that it didn't provide warnings in relation to investment frauds.

Mr K's representative hasn't commented on the transactions that followed. However, my decision remains the same that the second transfer made from the account was low in risk, other than the fact that it was high in value. It was being made to an already established payee and an account in Mr K's name. It also fell in line with the purpose to which Mr K had indicated he'd use the account. Therefore, the lower friction intervention again was a proportionate response in the circumstances.

My final decision

For the reasons I have given above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 16 September 2025.

Stephen Westlake
Ombudsman