

The complaint

Mr M complains that Revolut Ltd has declined to refund payments made as part of a scam.

What happened

Mr M says he fell victim to a scam when trying to book accommodation abroad. After finding a property he was sent a link to a website that he now thinks was a clone of a well-known holiday rental company (I'll call X). Mr M recalls authorising a payment and being asked to approve a refund.

After Mr M realised it was a scam, he contacted Revolut and disputed three debit card payments to two cryptocurrency platforms that took place on 20 December 2023. Revolut declined to provide a refund on the basis that it considered the payments authorised and that it didn't have grounds for a valid chargeback.

When Mr M referred his complaint to our service, the investigator didn't uphold it. In summary they concluded the payments were authorised and that they wouldn't have expected Revolut to have done more to prevent or recover the payments.

Mr M didn't agree this was fair and said it was having an impact on his life and mental health.

I note that in its submission to our service, Revolut made the following points:

- Mr M's account was not newly set up – it was created in August 2023. He therefore had some transaction history to compare the disputed activity to, including a payment of £3,000 to a different cryptocurrency platform.
- It accepted the scammer likely set up the accounts with the cryptocurrency platforms but said Mr M had been negligent in sharing his personal details, a selfie and copy of his identification with the scammer.
- When Mr M confirmed the payments in his banking app he would have been able to see who the merchant was, and that it wasn't X. It thinks Mr M has been negligent in proceeding to confirm the payments without questioning the discrepancy or asking X to clarify this.
- Cryptocurrency platforms often require a name match between the payer account and the account held with them. Payments to a customer's own account don't meet the definition of an APP scam. It shouldn't be responsible for its customer's loss where it is only an intermediate link in a chain of transactions.
- It has no legal duty to prevent scams and no obligation to reimburse scam victims outside of specific schemes, which do not apply to these payments.
- While it has adequate systems in place to counter the risks of financial crime, it is contractually obliged to execute valid payment instructions, with limited exceptions.
- The role of other financial businesses (including any interventions or warnings they might have provided) needs to be considered.

The matter was passed to me for consideration by an ombudsman. I issued my provisional decision on 14 August 2025 – here I explained why I intended on upholding the complaint in

part. And that I thought Revolut should reimburse 50% of payments two and three, plus interest to reflect the time Mr M had been without these funds.

Revolut acknowledged my provisional decision but made no further comments. Mr M added that he had been acting under time pressure as the scammer had told him they would cancel the booking if he wasn't able to pay within 30 minutes.

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 - including considering the responses to my provisional decision - I am upholding this complaint. I'll explain why.

Has Revolut acted fairly in treating the disputed payments as authorised?

The relevant law here is the Payment Services Regulations 2017 (PSRs) – these set out the circumstances in which a payer (here Mr M) and a payment service provider (here Revolut) are liable for payments. As a starting point, Mr M is liable for payments that he authorised and Revolut should reimburse unauthorised payments.

Where evidence is missing, incomplete, or contradictory I need to make a finding on the balance of probabilities. That is, what I think is more likely than not, based on what I do have.

Mr M says that he was messaging the scammer and X simultaneously. He recalls making at least one payment and thought one of the payments he approved in his banking app was a refund. In the chat with X at the time he said: *"...this is already my seconded attempt at booking this property and last time I didn't hear back."*

Revolut has shown that all three payments were confirmed in Mr M's banking app on his trusted device as part of the stronger authentication process (known as 3DS).

Mr M has described using a payment link provided to him by the scammer for the purpose of making the first payment. It's not clear whether the steps Mr M took initiated the payment or if the scammer used the information Mr M entered to make the payments to the cryptocurrency platforms. But it isn't in dispute that he agreed to the first payment and confirmed it in his banking app.

Based on the evidence available, and Mr M's description that he'd made a second attempt to book the property, I think it's likely that he also agreed to the second payment (which was for the same amount as the first). Likely believing, very possibly due to the manipulation of the scammer, that the initial payment hadn't worked when it had. This second payment was also approved in Mr M's banking app. For these reasons, I think Mr M confirmed the first two payments in his banking app knowing he was approving money leaving his account – even if he did this thinking only one would be successful.

I note that Mr M has explained he thought the third payment was a refund, which would also make sense if he thought he'd made two payments, rather than one, in error. So, on balance, I think Mr M gave his consent to the first two payments, either by completing the form and procedure himself, as set out in the account terms and conditions, or agreed to them being made on his behalf and confirming them in his banking app.

Mr M's recollection that he thought he was approving a refund rather than making a third

payment suggests he didn't re-enter his card information or agree to the scammer taking this payment. His only involvement appears to have been in confirming this payment in his banking app. I've gone on to consider Revolut's points about the steps Mr M took, and whether it's acted fairly in treating this payment as authorised on this basis.

Revolut has shown that at the time of each payment, Mr M would have been presented with a screen asking him to "*confirm your online payment*". This page set out the details of each payment including the merchant and payment amount. Showing the amount as a minus figure indicating funds would be leaving the account. It says Mr M would have needed to press confirm for the payments to be processed.

Taking this into account, I think it is fair for Revolut to have treated the third payment as authorised. This is because the screens Mr M would have been shown were clear that Revolut was asking him if he agreed to a payment out of his account and he selected "confirm". As Mr M's trusted device was being used and access his secure app was successful, Revolut would have had confidence it was Mr M taking these steps (which it was). So, I think it was reasonable for Revolut to rely on the steps Mr M took as confirmation that he did consent to the payments.

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

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 PSRs and the terms and conditions of the customer's account.

I'm not aware of any reimbursement schemes in place at the time that would have applied to the disputed card payments. 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.

It isn't in dispute that Mr M has fallen victim to a scam here, nor that he approved the payments thinking he was paying X for accommodation. Whilst I have set out the circumstances which led Mr M to make the payments using his Revolut account and the process by which that money was sent to an account the scammer appears to have controlled, I am mindful that, at that time, Revolut had much less information available to it upon which to discern whether any of the payments presented an increased risk that Mr M might be the victim of a scam.

However, by December 2023 when the payments took place, firms like Revolut had been aware of the risk of multi-stage scams involving cryptocurrency for some time. So I don't think that the fact the payments were likely going to an account in Mr M's name is sufficient for Revolut to conclude there wasn't a risk of fraud.

So, I've gone on to consider, taking into account what Revolut knew about the payments, at what point, if any, it ought to have identified that Mr M might be at a heightened risk of fraud that merited its intervention.

Revolut didn't intervene in any of the disputed payments. Having considered the disputed payments, I don't think that Revolut would have had enough reason to intervene in the first payment. This is because it was for relatively low value, and Mr M had paid a cryptocurrency platform before.

However, payment two was also to a cryptocurrency platform, for the same amount as payment one, less than five minutes later. Taking the total sent to an identifiably cryptocurrency platform so far that day to over £3,000. I think that the circumstances should have led Revolut to consider that Mr M was at a heightened risk of financial harm from fraud. In those circumstances Revolut should have declined the payment and made further enquiries.

In practice, I think Revolut ought to have engaged with Mr M to establish the specific risk he was facing (whether automated or in some other form) and provided Mr M with a warning. Given its knowledge that the payment was going to a cryptocurrency platform, that warning would need to have related to the risks associated with cryptocurrency scams. And if Revolut considered that Mr M's answers conflicted with the nature of making payments to a cryptocurrency platform then it should have discussed the payment with him to establish the circumstances surrounding the payment.

Mr M has said that he didn't know he was making payments to cryptocurrency platforms, rather he thought he was paying X. I think if Revolut had done either of the above, Mr M would have realised he was paying a cryptocurrency platform rather than X which would have concerned him. And that he would either have realised it was a scam or gone back to X (in the chat he had ongoing) to question this, to which X would likely have confirmed it didn't use these platforms to receive payments, revealing the scam and preventing further loss.

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

In reaching my decision about what is fair and reasonable, I have taken into account that Mr M likely sent the money to e-wallets held in his own name. But Mr M says he didn't set up the accounts nor does he have access to them. Revolut appears to accept that the scammer likely set these accounts up using the information Mr M had provided and would have been able to utilise the funds themselves. So, he likely has suffered the loss he's claiming.

The fact that the money used to fund the scam came from Mr M's other accounts and were likely transferred to accounts in Mr M's own name does not alter that I think Revolut can fairly be held responsible for Mr M's loss in the circumstances. I don't think there is any point of law or principle that says that a complaint should only be considered against either the firm that is the origin of the funds or the point of loss.

I've also considered that Mr M has only complained against Revolut. I accept that it's possible that other firms might also have missed the opportunity to intervene or failed to act fairly and reasonably in some other way, and Mr M could instead, or in addition, have sought to complain against those firms. But Mr M has not chosen to do that and ultimately, I cannot compel him to. In those circumstances, I can only make an award against Revolut.

I'm not persuaded it would be fair to reduce Mr M's compensation on the basis that he's only complained about one respondent firm, given that I consider Revolut could have prevented the loss I'm awarding. Ultimately, I must consider the complaint that has been referred to me. And for the reasons set out above, I'm satisfied that it would be fair to hold Revolut responsible for Mr M's loss from payment two (subject to a deduction for Mr M's own contribution which I will consider below).

Should Mr M bear any responsibility for his losses?

Revolut says that Mr M has been negligent in sharing his personal details, a selfie and copy of his identification with the scammer. I don't agree – Mr M thought he was renting accommodation and it's not unusual in those situations to need to verify yourself. Mr M initially used a legitimate website and then went on to use what he's described as a realistic clone website. So, I think it was reasonable for him to take these steps.

Revolut has also highlighted that when Mr M confirmed the payments in his banking app he would have been able to see who the merchant was, and that it wasn't X. It thinks Mr M has been negligent in proceeding to confirm the payments without questioning the discrepancy or asking X to clarify this. On this point I agree, that when what a customer can see is happening conflicts with what they think is happening, this should cause some concern. This is one example of several factors that taken together lead me to conclude it would be fair to make a deduction to the award in the circumstances.

In addition to being able to see on the payment confirmation screen that the merchant wasn't X, by payment two Mr M would also have been able to see that the merchant he was paying was different from the first payment he had approved, with no explanation. I acknowledge he says he didn't notice this at the time, but the purpose of that screen is to review a payment and confirm the user wants to make it. I think it would have been reasonable for Mr M to have either researched the merchants name showing on the screen (which would have quickly revealed it was a cryptocurrency platform) or asked X about this in the chat he had ongoing with it.

Further at payment two, Mr M would have been able to see from his available balance and account history that payment one had been made, so it's not clear why he thought it was reasonable to need to approve a second one. Similarly at payment three when Mr M thought he was confirming a refund, the page would have appeared the same as for payments one and two – nothing on the page indicated it was for a credit to the account rather than a debit.

I understand Mr M was keen to sort out his accommodation and thought he would lose the property if he didn't sort out the booking – he's shown he was given a deadline of 30 minutes. But I don't consider this meant it was reasonable not to have taken the time to review the payments fully.

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

Was there anything else Revolut should have done to recover Mr M's loss?

The payments were made by card and so the recovery option that would have been available to Revolut would have been through the chargeback scheme. This is a scheme run by the card scheme provider to resolve payment disputes between customers and merchants – subject to the rules they set. As the scheme is voluntary and limited in scope, Revolut wouldn't be expected to raise a claim that it thought had no prospect of success.

Here, the payments were to cryptocurrency platforms and there's no evidence to suggest the service of crediting the accounts wasn't provided. Revolut has explained it didn't raise a chargeback because it concluded it didn't have a valid claim. I think it's acted reasonably in reaching this conclusion; under the scheme rules the payments would be considered authorised given they were approved using 3DS, and it's likely the service was provided just not for the benefit of Mr M. So, I don't think Revolut should have done more to try and recover Mr M's funds in the circumstances.

I'm also not aware that Mr M has been able to recover any of the loss he's claiming.

Putting things right

For the reasons explained, Revolut should:

1. Reimburse 50% of payments two and three.
2. Pay Mr M simple interest at a rate of 8% on the amount in point 1, from the date of the payments to the date of settlement to reflect the time he has been without his funds.

My final decision

My final decision is that I uphold this complaint and Revolut Ltd should pay Mr M the redress set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 26 September 2025.

Stephanie Mitchell
Ombudsman