

The complaint

Mr J is complaining that Revolut Ltd didn't do enough to prevent him from making a payment to a scam.

The complaint is brought on his behalf by a professional representative, but I'll mainly refer to Mr J here.

What happened

The circumstances of the scam are known to both parties so I'll only set out the key features here.

In February 2023 Mr J fell victim to an investment scam after looking for investment opportunities online. He was contacted by phone by someone ("the scammer") who introduced themselves as a broker working for an investment scheme. The scammer set up an account for Mr J on a convincing looking investment platform. Communication continued via phone and messages.

Mr J initially made a payment of £250 to the scheme from his account with another business, and was then able to withdraw £22.18 as a 'return' on the investment to his account with Revolut.

Mr J was encouraged by this, and as guided by the scammer, he then opened an account with Revolut. On 27 February 2023 he made a payment of £3,000, by debit card, to a cryptocurrency exchange - which he then transferred to the scam.

The scammer encouraged Mr J to go on to make a larger investment but instead Mr J decided to withdraw his funds. When he was asked for a further payment to make the withdrawal, he realised he'd been scammed.

In 2024 Mr J complained to Revolut, and when it didn't agree to refund the disputed payment, he brought his complaint to the Financial Ombudsman Service.

Our Investigator thought Mr J's complaint should be upheld. She thought that Revolut ought to have intervened and given Mr J a warning about cryptocurrency investment scams, and if it had done, she thought Mr J wouldn't have gone ahead with the payment. She didn't think Mr J should share responsibility for his loss, because she didn't think he'd been negligent in making the payment due to the convincing nature of the scam.

Revolut didn't agree. In response to the Investigator's view it said, in summary, that it thought Mr J should share responsibility for his loss because he'd allowed the scammer to download remote access software. In its earlier submissions it also said, in summary:

- It has no legal duty to prevent scams and no obligation to reimburse scam victims outside of the FPS and CHAPS Reimbursement Rules, 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.
- 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.
- The role of other financial businesses (including any interventions or warnings they might have provided) needs to be considered.
- The Financial Ombudsman Service should inform the complainant that it might be appropriate to make a complaint against another respondent

Mr J's complaint has now been passed to me for review and a 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.

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;
- 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 J was at risk of financial harm from fraud?

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

Mr J's Revolut account was opened as a result of the scam, so it had very little account history with which to compare the transaction he was making. This means Revolut would have been relying on generic indicators of fraud risk when the scam payment was made as it would have had no idea of what might be normal for Mr J's account at that time.

I think Revolut should have identified that the disputed payment was going to a cryptocurrency provider (the merchant is a well-known cryptocurrency provider). And this, in combination with the value of the payment on a newly opened account, should have led Revolut to be concerned that Mr J was at heightened risk of financial harm from fraud.

In line with good industry practice and regulatory requirements I am satisfied that it is fair and reasonable to conclude that Revolut should have warned Mr J before this payment went ahead.

What did Revolut do to warn Mr J?

Revolut hasn't mentioned that it gave any scam warnings to Mr J when he made the disputed payment.

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. In doing so, I've taken into account that many payments that look very similar to this one will be entirely genuine. 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 these payments were made.

Taking that into account I think Revolut ought, in line with what I consider to have been good industry practice at the time, as well as what I consider to be fair and reasonable, to have asked about the purpose of the payment (for example by asking Mr J to select a payment reason from a list of possible reasons) and provided a warning which covered the key scam features of the payment purpose selected.

In February 2023, I think that one of the payment purposes that Mr J could have selected should have covered the key features of cryptocurrency investment scams, given how common they were at the time. I've seen nothing to indicate that Mr J would have not selected the most relevant payment purpose had he been asked.

The warning Revolut ought 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 the features of a cryptocurrency investment scam. But I think a warning covering the key features of scams affecting many customers, but not imposing a level of friction disproportionate to the risk the payment presented, would have been a proportionate and reasonable way for Revolut to have acted in February 2023 to minimise the risk of financial harm to Mr J.

If Revolut had provided a warning of the type described, would that have prevented the loss Mr J suffered?

I think that a warning of the type I've described would have identified that Mr J's circumstances matched an increasingly common type of scam.

The circumstances of Mr J's case had some features that are common to this type of scam. He'd been given access to a convincing looking trading platform and a broker. He had made an initial deposit which appeared to be growing in value, and he'd been able to make a small withdrawal. He'd been asked by the scammer to use remote access software. In addition, Mr J did not receive any specific warnings from Revolut or from the banks from which the money originated – so there's no evidence he ignored a specific and tailored warning.

I've also considered that Mr J came to the realisation himself that he might be the victim of a scam, when he was asked to make a payment to withdraw his funds. I think this demonstrates that Mr J was somewhat alert to the potential risk. Overall, I think that a warning of the type I've described would have resonated with Mr J and dissuaded him from going ahead with the payment, therefore preventing his loss.

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

I have taken into account that Mr J remained in control of his money after making the payment from Revolut. It wasn't lost until he took further steps. But Revolut should still have recognised that Mr J was at risk of financial harm from fraud, made further enquiries about the payment and ultimately prevented Mr J's loss from that point. I think Revolut can fairly be held responsible for Mr J's loss in such circumstances.

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

Could Revolut have recovered Mr J's funds once he reported what had happened?

Recovery wouldn't have been possible here. The payment was made by debit card, and Mr J disputed the payment too late for a chargeback claim to be raised under the relevant card scheme's chargeback rules. In any event, Mr J received the cryptocurrency he'd paid for, so there were no grounds for a chargeback to be raised under the rules.

Should Mr J bear any responsibility for his loss?

I've considered whether Mr J should share any liability for the preventable loss under the principle of contributory negligence, because his actions fell short of the standard of care that would be expected of a reasonable person in these circumstances. 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.

Overall, I don't think it's fair to expect Mr J to share liability with Revolut. I'll explain why.

- The initial contact from the apparent investment scheme was not unsolicited. Mr J was looking for opportunities and had registered his details online, so he was expecting to be contacted about investment opportunities, and wouldn't have found the approach suspicious.
- Mr J says he did initially research the name of the investment scheme and he didn't find anything untoward. He located the company's headquarters online and asked the scammer about their surroundings which correlated with what he could see online. And I can't see there would have been any information available online which would have caused Mr J to have concerns about the scheme at the time. Regulators' warnings naming this scheme did not begin to be published until the day Mr J made the disputed

payment, and he carried out his research before then.

- After Mr J made the first payment of £250, he was able to make a withdrawal to his Revolut account – which encouraged him to make the disputed payment. I can see how this would have reassured him that the investment opportunity was genuine.
- Having reviewed the screenshots of the fake investment platform, I can see that it did look professional, and I would also have expected this to have initially reassured Mr J that this was a genuine investment.
- I would expect being asked to make payments for withdrawals to raise concerns about the legitimacy of the investment, but Mr J wasn't asked to make a payment for withdrawal until he tried to withdraw the disputed payment, and it was at this point that he did realise something wasn't right.

This appears to have been an extremely sophisticated scam, as in my experience these types of investment scams sometimes are. And Mr J does appear to have gone to some lengths to research the company before he made the payment. It's true that Mr J allowed the scammer to use remote access software. But while I would normally expect this to have caused concern, in these circumstances and bearing in mind the convincing nature of the scam at the point Mr J made the payment, I don't consider that this means that Mr J has been negligent here. So, I don't think he should share responsibility for his loss with Revolut.

Putting things right

I think that Revolut should have prevented Mr J's loss of the £3,000 payment he made to the scam from Revolut. In calculating fair redress I've taken into account that Mr J has received some reimbursement that he understood to have been 'return' from his investment. I think this money should be deducted from the amount lost by apportioning it proportionately across all of the payments Mr J made to the scam. This ensures that this credit is fairly distributed.

To work this out, Revolut should take into account all of the payments Mr J made to the scam – which includes a payment of £250 made from another business.

In this case, the return received equals £22.18 and the total amount paid to the scam equals £3,250. Revolut should divide the return by the total amount paid to the scam. This gives the percentage of the loss that was received in returns. Deducting that same percentage from the value of the disputed payment gives the amount that should be reimbursed.

Here the return amounts to 0.68% of the total paid to the scam. It follows that the outstanding loss from the disputed payment be reduced by the same percentage. That means Revolut should reimburse 99.32% of the disputed payment.

Please note that, for ease of reading, I've rounded the relevant percentages down to two decimal places, but Revolut should perform the calculation I've set out above to arrive at a more precise figure, as I have done to arrive at the figure below.

After taking the steps set out above, I calculate Mr J's outstanding loss from this payment to be £2,979.53.

I therefore calculate the overall reimbursement due to Mr J to be £2,979.53.

Revolut should also pay 8% simple interest per year on this amount for Mr J's loss of use of the funds.

My final decision

For the reasons given above, I uphold this complaint and direct Revolut Ltd to pay Mr J:

- £2,979.53; plus
- 8% simple interest per year from the date of the payment to the date of settlement (less any tax lawfully deductible).

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr J to accept or reject my decision before 28 October 2025.

Helen Sutcliffe
Ombudsman