

## The complaint

Mr A complains that Revolut Ltd won't refund money he lost when he fell victim to a scam.

## What happened

Mr A saw an advert online for an investment opportunity with a company which I'll call N. He saw some positive reviews of N and believed it was a legitimate company specialising in cryptocurrency investment. Mr A was contacted by someone claiming to be a broker at N who would help him to invest.

This person helped Mr A to set up his trading account and advised him to download remote access software and to open a Revolut account to facilitate payments to cryptocurrency platforms. Unfortunately, and unknown to Mr A, N was not legitimate, he was dealing with a scammer.

Mr A made a series of payments to the scam, from his account with another bank, into his Revolut account, and then on to purchase cryptocurrency. The relevant payments he made to the scam are detailed below.

	Date	Amount
Payment 1	07/12/2022	£1,000
Payment 2	07/12/2022	£8,990
Payment 3	20/12/2022	£7,700
Payment 4	21/12/2022	£4,000
Payment 5	21/12/2022	£4,990
Payment 6	04/01/2023	£5,000
Payment 7	04/01/2023	£5,000
Payment 8	04/01/2023	£3,000
Payment 9	10/01/2023	£2,000
Payment 10	25/01/2023	£4,500
Payment 11	25/01/2023	£4,449
Payment 12	25/01/2023	£4,448
Payment 13	25/01/2023	£1,998
Payment 14	26/01/2023	£4,498
Payment 15	26/01/2023	£4,000
Payment 16	26/01/2023	£505
Payment 17	31/01/2023	£10,000
Payment 18	16/02/2023	£8,427
Payment 19	13/03/2023	£4,150
Payment 20	14/03/2023	£4,500
Payment 21	14/03/2023	£540
Payment 22	21/03/2023	£4,500
Payment 23	21/03/2023	£500

Ultimately, Mr A realised he had been the victim of a scam, and contacted Revolut to let it know what had happened. But Revolut declined to refund any of the disputed payments.

Revolut said that it had intervened appropriately in the payments Mr A had made but that Mr A had not been honest about what he was doing, it also said that Mr A had been grossly negligent in investing in N without carrying out proper due diligence. In addition, Revolut has made some general points in its submission to us, including:

- 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.

Mr A referred his complaint to our service. Our Investigator felt Revolut could have done more to warn Mr A about the fourth payment he made to the scam, and that it would have been able to prevent his loss from that payment onwards if it had done so. So, they recommended that Revolut refund Mr A's loss from Payment 4 onwards, with a deduction of 50% to recognise Mr A's contributory negligence to what happened.

Revolut did not accept the Investigator's findings, it said the payments were made to accounts in Mr A's own name at the cryptocurrency platforms, and so did not think it should be held liable for that loss. Revolut also questioned whether any other bank involved in the payment journey had intervened in the payments Mr A was making, or should also be held liable for the loss.

As an agreement couldn't be reached, the complaint has been passed to me to decide.

### **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 A was at risk of financial harm from fraud?*

Mr A's Revolut account was opened for the purposes of these scam payments, so there was no established account history against which Revolut could compare payments Mr A was making, meaning it had to rely on more generic indicators of risk. However, when Mr A opened the account he stated it would be used for 'transfers', so one might reasonably expect that to be the kind of activity the account was then used for.

But in this case Mr A instead went on to make a series of increasingly large card payments to cryptocurrency exchanges, over a relatively short period of time, several of which were declined for unclear reasons. In my view, bearing in mind the pattern, value, and destination of these payments, Revolut should reasonably have been concerned that they could present a scam risk and that Mr A may therefore be at risk of financial harm from fraud.

I'm aware that cryptocurrency exchanges generally stipulate that the card used to purchase cryptocurrency at its exchange must be held in the name of the account holder, as must the account used to receive cash payments from the exchange. Revolut would likely have been aware of this fact too. So, it could have reasonably assumed that payments Mr A was making would be to a cryptocurrency wallet held in his name.

But by the time these transactions took place, firms like Revolut had been aware of the risk of multi-stage scams involving cryptocurrency for some time. The FCA and Action Fraud published warnings about cryptocurrency scams in mid-2018 and figures published by the latter show that losses suffered to cryptocurrency scams have continued to increase since. They reached record levels in 2022. During that time, cryptocurrency was typically allowed to be purchased through many high street banks with few restrictions.

By the end of 2022, however, many of the high street banks had taken steps to either limit their customer's ability to purchase cryptocurrency using their bank accounts or increase friction in relation to cryptocurrency related payments, owing to the elevated risk associated with such transactions. This left a smaller number of payment service providers, including Revolut, that allowed customers to use their accounts to purchase cryptocurrency with few restrictions. These restrictions – and the reasons for them – would have been well known across the industry.

So, taking into account all of the above I am satisfied that by the end of 2022 Revolut ought fairly and reasonably to have recognised that its customers could be at an increased risk of fraud when using its services to purchase cryptocurrency, notwithstanding that the payment would often be made to a cryptocurrency wallet in the consumer's own name.

*What did Revolut do to warn Mr A, and what should it have done?*

Revolut has said it did not provide any warnings to Mr A about the payments he was making. 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 these ones 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 agree with our Investigator that Revolut ought, when Mr A attempted to make Payment 2, as it was the second large payment in a day on a new account, to have taken some steps to intervene. I'm satisfied though, that appropriate intervention at this stage would have been a general scam warning, rather than anything more tailored or detailed.

But by the time of Payment 4, I do consider that a more detailed warning was warranted, given the amount that had been paid out to cryptocurrency exchanges in a relatively short period of time. So, bearing in mind the value of the payments now made, and knowing that the payment was going to a cryptocurrency provider, Revolut ought to have provided a warning (whether automated or in some other form) that was specifically about the risk of cryptocurrency scams, given how prevalent they had become by the end of 2022. In doing so, I recognise that it would be difficult for such a warning to cover off every permutation and variation of cryptocurrency scam, without significantly losing impact.

So, at this point in time, I think that such a warning should have addressed 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. 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 A 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 warnings of the type described, would that have prevented the losses Mr A suffered?*

I've thought carefully about whether a general scam warning would have had any impact at the time of Payment 2, but I don't think it would have. I say this because the nature of the scam Mr A fell victim to means that a more general warning is unlikely to have put him on notice that he could be at risk.

However, I am satisfied that a specific warning covering off the key features of cryptocurrency investment scams at the time of Payment 4 would have likely prevented any further loss in this case. There were several key hallmarks of common cryptocurrency investment scams present in the circumstances of Mr A's payments, such as the investment being advertised on social media, the promise of significant returns, pressure to invest more quickly, and the involvement of a broker (with contact via WhatsApp) who was trading on Mr A's behalf.

I acknowledge that Mr A appears to have not entirely honest when Revolut asked him some fairly basic questions later on in the scam – he did not admit to the use of screen sharing software, or to being told to open his account by a third party – and I'm also aware that Mr A was not entirely honest with another bank involved in the payment journey. But the records

we have seen of Mr A's correspondence with the scammer don't show any clear signs that he was being coached in any detail as to how he should respond to any questioning by Revolut. I've also seen no indication that Mr A was asked to, or agreed to, disregard any warnings provided by Revolut. Neither do I think that the correspondence I've seen demonstrates a closeness of relationship that Revolut would have found difficult to counter through a warning.

With all this in mind, I'm satisfied that Mr A was not so taken in by the fraudsters that he wouldn't have listened to the advice of Revolut. I've also seen no evidence that Mr A was provided with any relevant warnings by the firm from which the funds used for the scam originated.

Therefore, on the balance of probabilities, had Revolut provided Mr A with an impactful warning that gave details about cryptocurrency investment scams and how he could protect himself from the risk of fraud, I believe it would have resonated with him. He could likely have paused and looked more closely into the investment scheme before proceeding, and bearing in mind that there seems to have been a fair amount of evidence available at the time through an online search to show that N was *not* legitimate, I think it is more likely than not this would have revealed the scam and prevented his further losses.

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

I have taken into account that Mr A remained in control of his money after making the payments from Revolut, as it appears the funds were moved to cryptocurrency accounts in his name before being passed on to the scammers. But Revolut should still have recognised that Mr A was at risk of financial harm from fraud, provided a detailed warning about Payment 4, and ultimately prevented Mr A's loss from that point. So I think Revolut can fairly be held responsible for Mr A's loss in such circumstances.

While I have considered all of the facts of the case, including the role of other financial institutions involved, I'm satisfied that the bank from which Mr A funded his Revolut account could not reasonably have prevented him from making those payments, so I don't think it is reasonable to say it should bear any liability for Mr A's loss.

*Should Mr A bear any responsibility for his losses?*

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.

There's a general principle that consumers must take responsibility for their decisions. I've duly considered whether Mr A should bear some responsibility by way of contributory negligence. And considering the details of this scam I do think it is fair that he bear some responsibility for his losses.

I say this because Mr A appears to have believed he would be making significant profits in a relatively short period of time, this really does strike me as being something Mr A should have seen was too good to be true. I understand that Mr A says the scammers appeared professional, but Mr A does not appear to have done any independent research regarding whether it was a legitimate or trustworthy business, considering that information was freely available at the time online that would have suggested N was most likely a scam.

So, having thought carefully about this, I do think that Mr A ought to bear some responsibility for his losses and that the refund due to him should be reduced by 50% accordingly.

I've also thought about whether Revolut could have done anything to recover the payments Mr A made to the scam. But given that the payments were made to cryptocurrency providers, and Mr A sent that cryptocurrency to the fraudsters, Revolut would not have been able to recover the funds.

### **Putting things right**

To resolve this complaint Revolut should:

- refund 50% of Mr A's loss from Payment 4 onwards (inclusive);
- pay 8% simple interest per annum on this refund from the date of each payment to the date of settlement.

### **My final decision**

I uphold this complaint in part. Revolut Ltd should now put things right in the way I've set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 4 December 2025.

Sophie Mitchell  
**Ombudsman**