

The complaint

Mr H complains Revolut Ltd (“Revolut”) hasn’t refunded funds he says he lost as the result of a scam.

What happened

Both parties are familiar with the circumstances of the complaint, so I’ll only summarise the details here.

Mr H explained he was contacted via phone by someone, who we now know to be a scammer, who informed him they could try to recover cryptocurrency he’d purchased a few years before. Mr H said he’d lost the address for the cryptocurrency so couldn’t access it. The scammer said there was a compensation scheme and Mr H agreed to go ahead with the recovery.

Mr H said he was then contacted by a messaging app and the scammer said they’d recovered his cryptocurrency and asked him to purchase further cryptocurrency to release the funds, these would be returned to him along with the recovered funds. He said he was later told the funds needed to be paid in ‘packages’ which required additional cryptocurrency purchases each time a package was released.

He said the scammers continued to ask for fees to release the funds and told him his bank had rejected the payment they made. Having called his bank Mr H said he was told no such payment had been attempted and he realised he had been scammed.

Mr H complained to Revolut, and his complaint wasn’t upheld. Unhappy with Revolut’s response, Mr H raised the matter with the Financial Ombudsman Service. An Investigator looked into the complaint and wasn’t satisfied Mr H had lost funds as the result of a scam. They also felt Revolut ought to have intervened when he converted funds into cryptocurrency but wasn’t persuaded it would have prevented the loss if it had.

As an agreement could not be reached, the complaint has been passed to me for a 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.

I’m sorry to disappoint Mr H further but I’m unable to uphold his complaint, for broadly the same reasons as our Investigator, I’ll explain why.

In line with the Payment Services Regulations 2017, consumers are generally liable for transactions they authorise. Revolut is expected to process authorised transaction instructions without undue delay. But they also have long-standing obligations to help protect customers from financial harm from fraud and scams. Those obligations are however

predicated on there having been a fraud or scam and a loss of funds as a result. And so, it would only be reasonable for me to consider whether Revolut is responsible for the loss Mr H claims to have suffered if, indeed, he has been scammed and lost funds because of that scam.

I'm satisfied Mr H purchased cryptocurrency, but I've not seen enough to persuade me he lost these funds to the scam. I don't have evidence from his cryptocurrency account(s) to show this. However, as it doesn't make a difference to the outcome I have proceeded on the basis Mr H did lose funds to the scam as he's described.

In broad terms, the starting position at law is that banks and other payment service providers are expected to process payments and withdrawals that a customer authorises it to make, in accordance with the Payment Services Regulations and the terms and conditions of the customer's account.

Mr H authorised the transactions in question here – so even though he was tricked into doing so and didn't intend for his money to end up in the hands of a scammer, he is presumed liable in the first instance.

But as a matter of good industry practice, Revolut should also have taken proactive steps to identify and help prevent transactions – particularly unusual or uncharacteristic transactions – that could involve fraud or be the result of a scam. However, there is a balance to be struck: as while banks and Electronic Money Institutions should be alert to fraud and scams to act in their customers' best interests, they can't reasonably be involved in every transaction.

I've thought about whether Revolut acted fairly and reasonably in its dealings with Mr H when he made the transactions, or whether it should have done more than it did. In doing so I've considered what Revolut knew about the transactions at the time it received Mr H's instructions and what action, if any, Revolut took prior to processing the payments.

Revolut told us when Mr H made a payment to a new beneficiary it presented a warning asking if he knew and trusted the payee and not to pay them if he wasn't sure as Revolut may not be able to help get his money back. It also gave a reminder that fraudsters can impersonate others.

When considering the transactions individually I don't think they should have caused Revolut to be concerned, however when considering the transactions in combination I think Revolut ought to have been concerned on 6 June 2023. Mr H had already converted fiat currency into cryptocurrency that day and made another conversion shortly after taking the total to £3,051.11. He then made two payments with a similar combined total to a well-known cryptocurrency provider. And at the time these transactions took place it was known that transactions involving cryptocurrencies carried a heightened risk of fraud. I therefore think Revolut should have intervened when Mr H made his second fiat to cryptocurrency conversion on 6 June 2023.

At that time, I would have expected a proportionate intervention to be a tailored written warning. Given the transaction was cryptocurrency related I would have expected the warning to highlight the key features of cryptocurrency investment scams, like the use of a broker, adverts on social media, the use of remote access software and a small initial investment with payments increasing overtime.

I can't be certain what would have happened if Revolut had intervened as I've described so I have to make my decision on what I think would have happened, on balance, if it had. Having done so, I don't think a proportionate intervention regarding cryptocurrency

investment scams would have resonated with Mr H and prevented him from continuing with the conversion. I say this because I think it's likely Mr H wouldn't have thought the warning applied to him as he wasn't falling victim to a cryptocurrency investment scam but rather a recovery scam. I therefore think he would have proceeded passed the warnings I would have expected Revolut to have provided and continued with the conversion, and I wouldn't have expected direct human intervention from Revolut for the conversion.

I think it's reasonable to apply the same reasoning to the payments to cryptocurrency that Mr H made on 6 June 2023; should Revolut have intervened I would have expected it to follow what I have already outlined. And again, I wouldn't have expected direct human intervention for these payments.

Having said that, Revolut told us it intervened on a payment made on 6 June 2023 and Mr H cancelled the payment without fully engaging in the intervention process. I've reached the above conclusion on the basis that Mr H would have engaged in the process but it's possible he would have cancelled the conversion.

I don't think the remaining transactions either individually or in combination required intervention from Revolut. I say this as they were relatively low in value and made over several months, and those that were made on the same day still weren't of a significant enough value that I think Revolut should have been concerned by them.

Having said that Revolut did intervene later during the scam journey on 18 September 2023 for a payment of £615 to a cryptocurrency provider. Mr H informed Revolut the payment was for cryptocurrency and was given tailored warnings which didn't prevent him from making the payment.

Revolut intervened again on 11 October 2023 for a payment Mr H made to an individual. He informed Revolut the payment was to buy or rent goods or services, which wasn't the case but will have been plausible to Revolut given the destination was an individual. Mr H said he was being guided and when asked further questions about who was guiding him via the in-app chat, he said it was a friend, which we also know wasn't the case.

Further interventions were made on 16 October 2023 when Mr H made payments for £175 and £170 to individuals. He told Revolut he was paying a friend/family, which we know wasn't the case, and was given warnings related to his answer. These didn't positively impact him, likely because they weren't relevant to the scam but were related to the payment purpose Mr H gave which was plausible to Revolut as he was paying individuals.

While I don't think these payments required intervention, I think the intervention Revolut carried out was proportionate in the circumstances.

While Revolut missed an opportunity to intervene, as I have explained, I don't think it could have prevented Mr H's losses and so I won't hold it liable for the losses he suffered.

Recovery

I've thought about whether there's anything else Revolut could have done to help Mr H — including if it took the steps it should have once it was aware that the payments were the result of fraud.

After the card payments were made, the only potential avenue for recovery of the payment would have been through the chargeback scheme. The chargeback scheme is a voluntary scheme set up to resolve card payment disputes between merchants and cardholders. Revolut is bound by the card scheme provider's chargeback rules. Whilst there is no 'right' to

a chargeback, I consider it to be good practice that a chargeback be raised if there is a reasonable chance of it succeeding. But a chargeback can only be made within the scheme rules, meaning there are only limited grounds and limited forms of evidence that will be accepted for a chargeback to be considered valid, and potentially succeed. Time limits also apply. Unfortunately, the chargeback rules don't cover scams.

Mr H made payments to an account in his own name with a legitimate cryptocurrency provider. It seems he got the cryptocurrency he paid for and said he moved the funds on to the scammer. Mr H also purchased cryptocurrency from individuals and again it seems he received the cryptocurrency he paid for. In both cases, there isn't much prospect of recovery and so I don't think Revolut could have recovered his losses.

I'm sorry to disappoint Mr H further, but I've thought carefully about everything that has happened, and with all the circumstances of this complaint in mind I don't think Revolut needs to refund his money or pay any compensation. I realise this means Mr H is out of pocket and I'm really sorry he's lost this money. However, for the reasons I've explained, I don't think I can reasonably uphold this complaint.

My final decision

My final decision is that I do not uphold this complaint against Revolut Ltd.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 7 November 2025.

Charlotte Mulvihill
Ombudsman