

The complaint

Mr S is unhappy that Revolut Ltd won't reimburse money he lost to a scam.

What happened

The details of this complaint are well known to both parties, so I won't repeat everything here. In summary, Mr S said that in June 2025 he was tricked into sending money in connection to what he thought was an investment opportunity. But it turned out to be a scam.

Mr S said he was encouraged by the scammer to invest into a company. He used his Revolut account to exchange funds ('fiat' currency) into cryptocurrency, which he then withdrew and sent on to the scammer. Mr S has lost around £4,000 as a result of the scam.

Mr S complained to Revolut. He didn't think that Revolut did enough to protect him from financial harm at the time he made the transactions. Revolut didn't uphold his complaint. The complaint was subsequently referred to our service.

In its file submission to us, Revolut said our service didn't have jurisdiction to consider the cryptocurrency withdrawals Mr S made in relation to the scam. Our Investigator explained that although our service couldn't consider cryptocurrency withdrawals in isolation, the process of making those withdrawals involved earlier steps, such as Revolut accepting Mr S's fiat money into the account and exchanging it into cryptocurrency. The Investigator concluded that our service could consider the merits of Mr S's complaint, at least in respect of the exchange of fiat money into cryptocurrency.

However, our Investigator didn't uphold the complaint. He explained that Revolut should have intervened and questioned one of the exchanges Mr S made. But in the circumstances, he didn't think the scam would have been uncovered.

Mr S didn't agree so the complaint has been passed to me for a review and final decision.

Preliminary matters

Revolut hasn't responded to the Investigator in relation to matters concerning our jurisdiction. But for completeness, I agree that I can consider the complaint to in line with what the Investigator has explained.

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, I've come to the same outcome as the Investigator for largely the same reasons. I'll explain why.

I'm aware that I've summarised this complaint briefly, in less detail than has been provided, and in my own words. No discourtesy is intended by this. Instead, I've focussed on what I

think is the heart of the matter here. If there's something I have not mentioned, it isn't because I have ignored it. I haven't. I'm satisfied I don't need to comment on every individual point or argument to be able to reach what I think is the right outcome. Our rules allow me to do this. This simply reflects the informal nature of our service as a free alternative to the courts.

I think it's important to note here that although Mr S has provided some testimony about how he became involved in the scam, we've not been provided with any other evidence to show that he was caught up in this scam, such as evidence of his communications with the scammer. He's advised he no longer has access to the messages. And although we can see cryptocurrency was withdrawn from his Revolut account, they don't show that the withdrawals were related to the scam or that the funds were subsequently sent to the scammer. But, in the circumstances, I don't think an intervention from Revolut would have made a difference here, so I am going to proceed on the basis that Mr S did suffer a loss to the scam he's described.

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.

Considering the relevant: law and regulations; regulators' rules, guidance and standards; codes of practice; and, where appropriate, what I consider to be good industry practice at the time - Revolut should fairly and reasonably:

- 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 (among other things). 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 the fraudulent practices are evolving and the different risks these can present to consumers, when deciding whether to intervene.

But, with that in mind, there is also a balance to be struck between identifying payments that could potentially be fraudulent and minimising disruption to legitimate payments. So, the starting point for me is to consider whether any of Mr S's payment instructions – taken either individually or collectively - were particularly unusual or suspicious to have required intervention from Revolut.

Although this was a new account, I can't conclude the first exchange made in relation to the scam would have looked particularly unusual or suspicious to Revolut. This transaction was

relatively modest, so I can't say Revolut should have been particularly concerned it or that it would have presented an obvious scam risk in value alone.

I do however think the second exchange of £4,500 was unusual and that Revolut should have explored if Mr S was at risk of financial harm. But for me to find it fair and reasonable that Revolut should refund Mr S his losses requires more than a finding that Revolut ought to have intervened. I would need to find not only that Revolut failed to intervene where they ought to have done so or in the way they ought to have done - but crucially I'd need to find that but for this failure the subsequent loss would have been avoided.

The latter element concerns causation. A proportionate intervention will not always result in the prevention of a payment. And if I find it more likely than not that such a proportionate intervention by Revolut wouldn't have revealed the payments were part of a fraud or scam, then I can't fairly hold it liable for not having prevented them from being made.

I can see that Revolut did intervene prior to processing some of Mr S's cryptocurrency withdrawals and provided him with advice and warnings to try and protect him from being scammed. I can't assess whether that intervention was proportionate, as it happened during a part of the cryptocurrency process that doesn't fall within our jurisdiction. But I think that interaction is a good indication of what would likely have happened if Mr S had received warnings prior to the second exchange he made.

During these interventions it asked Mr S if he was being guided and what the transaction was for so it could provide advice on it. Mr S answered that he wasn't being prompted to make the payment. He also advised that he discovered the opportunity through a friend or family member and that he had checked that the company was FCA regulated. He also advised he wasn't told to download any software. Revolut then showed him a series of warnings, including highlighting that this could be a scam and that scammers often promise high returns in a short period of time and might even have professional looking websites. If Mr S had explained he was being guided, and answered some of the other questions more accurately then it also could have helped Revolut identify whether it ought to have taken additional steps to try and protect Mr S from a scam.

It's clear that Mr S trusted what he was being told by the scammers about the investment and the profits he had made and that he was willing to provide inaccurate information in order to get the transactions processed. So, I don't think he would have revealed much about the circumstances around the exchange of £4,500, if Revolut had intervened on it. On balance, I believe Mr S would answered the questions in a similar way as he had done with the cryptocurrency withdrawals and that it would have been processed.

The circumstances weren't risky enough, and based on the size of the transaction I wouldn't have expected further checks, such as an agent speaking with Mr S. So, I don't find that Revolut could likely or reasonably have stopped Mr S from exchanging his funds, and by extension I don't think it could have prevented the loss to the scammers.

Recovery in this instance would have been unlikely, given the cryptocurrency was already in the hands of the scammer. I appreciate this will likely come as a disappointment to Mr S, however, in the circumstances, I do not consider it would be fair and reasonable to ask Revolut to do anything further.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or

reject my decision before 13 March 2026.

Aleya Khanom
Ombudsman