

The complaint

Mr I complains that Revolut Ltd didn't do enough to prevent him losing money to a scam.

Mr I has used a representative to bring his complaint. But, for ease of reading, I'll mostly just refer to Mr I himself where I also mean the representative.

What happened

The detailed background to this complaint is well known to both parties. So, I'll only provide an overview of some of the key events here. In late 2022 and early 2023 Mr I says he was the victim of a scam. He says he came across what he believed to be a legitimate investment opportunity online with 'F'. He says he had access to a 'platform' where he could see his trades progressing and his profits accruing. But when Mr I says he tried to make a withdrawal, he found he was unable to and he later concluded he'd been scammed.

As a result of the scam Mr I says he made the following debit card payments from his Revolut account. All these payments were to the same merchant 'B', who I understand is a legitimate cryptocurrency exchange. And it would seem that Mr I sent on the cryptocurrency to 'credit' his platform with F where it was then lost to the scam.

Payment Number	Date	Amount
1	17 November 2022	£4,000
2	18 November 2022	£5,000
3	1 December 2022	£5,000
4	1 December 2022	£4,000
5	16 December 2022	£9,999
6	13 January 2023	£5,000
7	19 January 2023	£5,000
8	31 January 2023	£3,006.92
9	16 February 2023	£9,999
10	16 February 2023	£9,998
11	16 February 2023	£9,997
12	17 February 2023	£6,000

Mr I says that when he was told he needed to pay fees to withdraw his profits, he realised he'd been scammed. In March 2024 Mr I complained to Revolut alleging they'd not done enough to protect him. Revolut didn't agree they'd done anything wrong and didn't offer any redress.

Revolut's submissions

- 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 payments in question were further authenticated via '3DS'.

- 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 should inform the complainant that it might be appropriate to make a complaint against another respondent.
- Mr I displayed a lack of due diligence and acted negligently in a variety of ways which includes: trusting financial advice from a stranger, not conducting enough research, taking out lending for investment purposes and allowing a third party access to their personal device via screen sharing software.

The complaint was referred to our service and one of our Investigators didn't recommend it should be upheld. In summary he didn't think Revolut were responsible for the loss. Mr I disagreed and asked for an Ombudsman to review his complaint. In October 2025 I issued a provisional decision in which I said:

"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'm intending to reach a different outcome compared to that of our Investigator. So, I'm issuing this provisional decision to give both sides a further opportunity to comment before my decision is finalised.

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 them 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 their 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 I was at risk of financial harm from fraud?

Mr I's account with Revolut was newly opened. And so there wasn't a history of account

activity to enable Revolut to establish a baseline of what the usual account activity was. I think Revolut ought to have had some concerns in relation to the 2022 payments due to the sums involved. I also think that further intervention (which I'll come to below) would've been appropriate in response to payment six as set out above.

What did Revolut do to warn Mr I?

Revolut say that the debit card payments in dispute were authenticated by '3DS'. In essence this means Mr I would've been required to have logged into his Revolut app to confirm the payments. Beyond this, they say no warnings were given as they don't believe they should've identified that Mr I was at risk of financial harm.

What kind of warning should Revolut have provided?

I think Revolut could and should have (as part of the in app 3DS process or otherwise) have displayed a generic scam warning in response to Mr I's payments in 2022. But I'm not persuaded that a generic warning about the potential for a scam would've been impactful. And I can't retrospectively apply expectations on Revolut that I don't think would've been in place at the relevant time.

It's not until Mr I's 13 January 2023 payment that I'd have expected more. By this point Revolut would've known that scams involving cryptocurrency were increasingly prevalent and that this was something that both the Financial Conduct Authority (FCA) and Action Fraud had publicly warned about. I would've expected Revolut to have asked Mr I more about the purpose of his payment, to enable an appropriate warning to have been given. And irrespective of what Mr I might've said, because the merchant involved was identifiably linked to cryptocurrency, I'd have expected Revolut to have provided a Cryptocurrency investment scam warning, covering off the common features of such scams.

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

As I've said above, I don't think a generic scam warning would've been impactful for Mr I's 2022 payments. I think it's more likely than not that he would've continued even if such a warning had been shown. I know that Mr I had been warned (about the possibility of a safe account scam) by his own bank 'V' when making payments to top up his Revolut account. And this doesn't support that a generalised warning would've been impactful.

I've next gone on to think about the cryptocurrency investment warning that I think ought to have taken place on 13 January 2023 when Mr I instructed payment six. As I've mentioned above, I'd have expected this to have covered several of the common features of cryptocurrency scams to include:

- Celebrity endorsement.
- Making a small initial investment which showed good returns before being enticed to invest more.
- Being helped by an advisor or broker.
- Involving the use of screen sharing software.
- Having access to a platform showing returns but then being unable to make meaningful withdrawals from those funds.

I'm also mindful that there is some evidence in the chat history between Mr I and the scammer which indicates that he was told how to respond to warnings. The context of this is that around 17 February 2023, it seems that the cryptocurrency exchange 'B' had some

concerns and asked various questions of Mr I. This included him being asked to send in his bank statements to evidence the source of the funds he was using, as well as coming onto an online call. Part of the exchange is copied below:

Scammer: "They're gonna ask you some stupid regular questions, just answer with 'yes correct' on everything and you'll be done in one minute."

Mr I: "Ok, will do..."

Scammer: "If they ask where do you know about this whole thing, just say that you found out about it online by yourself and you do everything by yourself."

Ten minutes later, presumably after the call with B, Mr I replies "All done."

Given this, I think its more likely than not that had Revolut intervened at an earlier time, the scammer would've similarly sought to have guided Mr I as to what to say in response. And I also think Mr I's above response indicates that he did indeed do what was asked of him and didn't explain the full true situation to B. So I think he would've done the same again with Revolut, most likely explaining he was investing in cryptocurrency without being guided.

However, as I've mentioned above, I also need to weigh up the fact that Mr I clearly didn't want to be scammed or to lose his money. And I've thought carefully about the warning Revolut ought to have given as well as how the scam ultimately came to light. Mr I's letter of complaint included that he found the investment opportunity online and the fact that it was endorsed by a celebrity was part of what persuaded him to find out more. He also described how he was initially shown how to use the 'platform' after downloading software that enabled his screen to have been shared. He also said that his initial smaller £500 investment showed good returns and based on that he was encouraged to invest more to achieve greater returns. Given the numerous similarities between what the warning should've contained, and the situation as Mr I understood it to be at the time, even if it had been Mr I's intention to not share the full details with Revolut about his payment, I still think an appropriate warning would've resonated with him. And given the scam was ultimately uncovered when he tried and failed to make a withdrawal, as a minimum I think a warning from Revolut would've accelerated the timeline of what did later happen and that he wouldn't have lost further funds to the scam.

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

I have taken into account that Mr I remained in control of his money after making the payments from Revolut. It wasn't lost until he took further steps. But Revolut should still have recognised that Mr I was at risk of financial harm from fraud, made further enquiries as I've set out above and ultimately prevented Mr I's loss from that point. I think Revolut can fairly be held responsible for Mr I'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 I has chosen not to complain about B and I can not compel him to do so. I've also considered a linked complaint about 'V' who Mr I used to credit his account with R. And that complaint wasn't upheld. So, there isn't a basis upon which I could say that V too are responsible for any of the same loss I'm intending to direct Revolut to pay.

So for clarity, the starting point is that Revolut should provide redress for payment six onwards. I've considered whether an interest award should be made in this case. But, the evidence from statements I've seen indicates that the money Mr I moved from his account with V, to Revolut and on to the scam (and which I think Revolut can fairly be said to be responsible for) primarily came from limited companies Mr I has involvement with, most likely

in the form of lending as referenced above. As such, I'm not persuaded that Mr I himself was without money he otherwise would've had the use of. So I'm not currently intending to make an interest award.

Should Mr I bear any responsibility for his losses?

I've also thought carefully about whether Mr I should bear some responsibility for his own loss due to contributory negligence. Revolut have argued he should saying Mr I didn't conduct enough due diligence citing the below reasons:

- *He didn't research the risks prior to investing;*
- *He couldn't have searched online because there were bad reviews about F and they were not FCA regulated.*
- *He failed to educate himself about scams using online literature.*

They also said they thought he was grossly negligent because he:

- *Took out a loan for the purposes of investment;*
- *Allowed an unknown third party access to his personal device via software;*
- *Failed to conduct research before sending thousands of pounds;*
- *Trusted advice from a stranger in relation to a risky investment*

I'm aware that it's a lot easier in hindsight to identify potentially problematic aspects of a scam. But I have to keep in mind that scammers are very skilled in appearing genuine and persuading people they are legitimate. In this case, for most of Mr I's payments, I don't think it would be fair and reasonable to make a reduction in award. Where Mr I's own bank intervened, he told them he was moving money to his own account with Revolut and was warned about a safe account scam. There is no evidence that he was given a relevant warning about cryptocurrency scams and that he failed to act in response to it.

Similarly, the loans arriving in Mr I's account seem to be from a company he is a director of. So, I don't think this is a case where he went to a high street lender or similar and mislead them about the purpose of the loan. It seems this was a way for Mr I personally to source more funds to invest. And whilst borrowing to invest may be a risky decision, I don't think it indicates negligence or recklessness as to whether or not he was being scammed.

Likewise the screen sharing software seems to have been used in the context of learning the platform with F. And I don't think doing so again suggest negligence such that a reduction should be made. Particularly as it's not in dispute here that Mr I himself authorised the payments he did, rather than them being unauthorised by allowing another access to a device.

Revolut have also suggested that there were negative reviews about F which were in place at the time of Mr I's 'investment' which he should've seen and taken account of. Mr I's letter of complaint said that he was impressed by F's website and agent as well as their apparent celebrity endorsement. He also says that he did an online search and saw some positive reviews.

I've not been able to find a significant amount of negative reviews that would've been in place about F prior to Mr I making his payments. And Revolut also haven't been able to provide evidence of the same. In the circumstances of this complaint, I'm not persuaded that there is sufficient evidence to support that Mr I saw reviews warning of a scam and chose to ignore this and proceed in any case such that a reduction in award should fairly be made on that basis.

However, in relation to the final £6,000 payment that took place on 17 February 2023, there is evidence to support that Mr I misled B and followed the scammers guidance to reassure them. B are a cryptocurrency exchange based in Estonia. And I can't be sure as to the exact nature of their intervention. But, on balance, I think it's more likely than not that had Mr I shared the true nature of the situation with B, that he would've been made aware of the possibility of a scam and likely wouldn't have lost the £6,000 from his account with B. In these circumstances, I think it's fair and reasonable that I reduce the award I'm intending to direct Revolut to pay (specifically in relation to the £6,000 payment) by 50% to take account of what I think was Mr I's contributory negligence in relation to it. In short, I think the message history supports that Mr I misled B and if he hadn't done so, I don't think he would've suffered the loss he did in relation to that payment. So, I think it's fair that he assumes partial responsibility for that element of his loss. For the remainder of his payments, for the reasons I've set out, I'm not intending to make such a reduction.

My provisional decision

For the reasons outlined above, but subject to any further information I receive from either Revolut or Mr I, I'm intending to uphold this complaint.

I intend to direct Revolut Ltd to refund payments six to eleven (inclusive) from the table above. They should also refund 50% of payment twelve."

Mr I responded to say he accepted my provisional decision. Revolut's response said they had nothing to add and would await the 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.

As neither party had any further evidence or comments for my consideration, I see no reason to deviate from the outcome explained in my provisional decision as copied above.

My final decision

For the reasons set out above, my final decision is that I uphold this complaint.

Revolut Ltd should refund Mr I with payments six to eleven (inclusive) from the table above. They should also pay him 50% of payment twelve.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr I to accept or reject my decision before 27 November 2025.

Richard Annandale
Ombudsman