

The complaint

Mr T is unhappy that Revolut Ltd won't refund payments he says he sent to a scam.

What happened

In 2023 Mr T heard about a cryptocurrency investment opportunity when he was added to a group chat on an instant messaging app. It promised a guaranteed return of 2.5% interest on the investment, which could be increased depending on how much was invested. Mr T says he was shown a professional looking platform and was encouraged by the other success stories being posted in the group. So he decided to invest.

On 25 November 2023 Mr T made a card payment for £5,388.62 to a cryptocurrency provider from his existing Revolut account. From there he withdrew the cryptocurrency he'd purchased to a wallet address provided by the company. Mr T says he saw his investment grow, but when he tried to withdraw from the platform the amount never materialised in his cryptocurrency wallet. He says the company initially blamed the wallet provider and then said hackers had caused the issue and the money had been lost. That's when Mr T realised he'd been scammed.

A complaint was made to Revolut in June 2024 via professional representatives, which argued the account activity was out of character and a strong intervention was needed. Revolut responded to say a chargeback was raised but was unsuccessful. It explained that was because Mr L had authorised the payment and it was a money order, which once processed is considered provided – so no chargeback rights existed. Mr T wasn't happy with the response, and so referred his complaint to our service for reviewed.

One of our investigators considered the complaint and didn't think it should be upheld. In her view, Mr T hadn't supplied sufficient corroborating evidence to show the disputed transaction was lost to a scam. Mr T didn't agree with the investigator's opinion, and requested an ombudsman reconsidered the matter. So the complaint was passed to me to decide.

I issued a provisional decision that said I was satisfied Mr T had been scammed, but I didn't think Revolut could have prevented the loss. I've copied below the part outlining my rationale:

“Having done so, I've provisionally decided not to uphold this complaint. I know this is not the answer Mr T was hoping for and so this will come as a disappointment. I'm really sorry to hear about the situation he found himself, and I can understand why he'd want to do all he could to recover the money lost. But I need to decide whether Revolut can fairly and reasonably be held responsible for Mr T's loss. Overall, I've decided that it can't be. I'll explain why.

In deciding what's fair and reasonable, I am required to take into account relevant law and regulations, regulators' rules, guidance and standards, and codes of practice; and, where appropriate, I must also take into account what I consider to have been good industry practice at the time.

In broad terms, the starting position at law is that Electronic Money Institutions (“EMI’s”) such as Revolut are 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 in November 2023 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 (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;*
- 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 – (as in practice Revolut sometimes do);*
- have been mindful of – among other things – common scam scenarios, how the 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.*

Revolut has a difficult balance to strike in how it configures its systems. It needs to detect unusual activity, or activity that might otherwise indicate a higher than usual risk of fraud, whilst not unduly hindering legitimate transactions. There are many millions of payments made each day, and it would not be possible or reasonable to expect firms to check each one. In situations where firms do (or ought to) carry out checks, I would expect that intervention to be proportionate to the circumstances of the payment.

Revolut would only have potential liability in the matter if Mr T lost this money to a scam – and having reviewed the evidence provided I’m satisfied that’s the case. The statement for the cryptocurrency account shows that after being exchanged it was withdrawn to an external wallet, and there’s other evidence to corroborate his involvement with the opportunity (like the group chat for the investment). I also think the payment (due to its size and that it was identifiably going to cryptocurrency) ought to have prompted an intervention from Revolut – which didn’t happen.

Mr T had made both larger and cryptocurrency related transactions on the account previously, so this payment wasn’t a wild shift in use. But Revolut would have been acutely aware by this point of the risks involved with multi-stage fraud (where scammers persuade victims to move funds through multiple accounts in their name before being lost) – so I think a tailored warning was still warranted in the circumstances. That should have taken the form of a series of automated questions, prior to allowing it, in order to narrow in on the most relevant potential scam risk. I think that process would have likely produced a cryptocurrency investment scam warning, as I’ve seen no indication Mr T would have misled Revolut about what he was doing. He didn’t have any direct interaction with the scammers, so he wasn’t provided with a cover story – and he’d used Revolut for cryptocurrency purchases in the past, so had no reason to think it wouldn’t support him investing.

But, on balance, I’m not persuaded warning would have stopped Mr T from going ahead with the payment. That’s because Mr T was already likely aware of a lot of the risks involved with

the company, and still decided to invest – so I don't think a warning would have deterred him. Mr T says he'd been following the conversation in the group for a while, and had done some research on the company – including reading articles. He initially tried to take advantage of a 'Thanksgiving offer', during which the company would match every deposit onto the platform within a certain timeframe (effectively doubling whatever you paid in, and with supposedly no limits on withdrawals). Other people in the group chat pointed out that meant you could deposit thousands, get it doubled by the company, and then withdraw it at the end of the offer window (in a few days) – with many questioning how that could be good business for the platform.

However, by the time Mr T managed to invest that window had finished, with lots of people complaining they couldn't withdraw yet. Various reasons were given for that by the company, which were publicised in the news at the time – including problems with the blockchain and being hacked, both of which sounded very suspect to a lot of the other investors in Mr T's group chat. But he still decided to take the risk and send money to the platform. I appreciate Mr T might not have read every message on the group, or even followed it that closely – but I consider he would have at least seen some of the conversations just prior to him investing (as that's what prompted him to finally get involved, after being in the group for a month). The wider coverage online of the withdrawal issues was also unmissable if he searched for and read articles about the investment before taking the plunge.

There was some chat in the group covering off why the investment supposedly didn't need to be regulated, which was apparently reiterated on its website – and Mr T didn't have direct contact with the scammers. So I don't think a warning covering off the risks of unregulated third party brokers would have overly concerned him. A warning could also have flagged things like returns being too good to be true, but Mr T had effectively had that warning from the other group members, who weren't able to access their profits any longer. People had supposedly made a lot of money from the investment previously though, and for Mr T it was seemingly worth the risk despite the recent publicised issues. Mr T wasn't a stranger to investing either, and says he'd researched the opportunity before getting involved. So I don't think warnings about social media promotions or unsolicited contact (typical for these types of scams) would have had enough impact to prevent him investing. Unfortunately this was a very large Ponzi scheme which, until its collapse, looked legitimate to the many people who invested.

So, overall, I don't consider a warning covering off the key features of a cryptocurrency investment scam would have resonated enough with Mr T, nor do I think he'd have sufficiently recognised his circumstances in it. So I'm not holding Revolut responsible, as I don't think a proportionate intervention would have likely stopped him making the payment and prevented the loss.

I've thought about whether Revolut could have done more once alerted to the fraud, and I don't think it could have. The only recovery option would have been a chargeback claim, which Revolut says it attempted. But that wasn't successful as the service paid for was provided – the cryptocurrency was just unfortunately sent on the scammer afterwards. I also haven't seen any customer service issues that I consider would warrant compensation. So, while I recognise that Mr T has sadly fallen victim to a cruel and sophisticated scam, I'm not directing Revolut to refund him as I don't think it ought to have prevented the loss."

Revolut didn't respond, and Mr T's solicitors told us they were no longer representing him in the matter. We didn't hear from Mr T separately by the deadline.

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.

Given the response to my provisional findings, I see no reason to depart from that outcome. So I'm not upholding Mr T's complaint for the reasons I've set out above.

My final decision

I've decided not to uphold Mr T's complaint about Revolut Ltd.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T to accept or reject my decision before 11 December 2025.

Ryan Miles
Ombudsman