

The complaint

Mr C complains that Revolut Ltd won't reimburse him after he fell victim to an investment scam.

Mr C is professionally represented in bringing his complaint, but for ease of reading, I'll refer to all submissions as being made by Mr C directly.

What happened

On 10 November 2025, I issued my provisional decision on this complaint. I wanted to give both parties a chance to provide any more evidence and arguments before I issued my final decision. That provisional decision forms part of this final decision and is copied below.

The background to this complaint is well known to both parties so I won't repeat it in detail here. But briefly, both parties accept that in or around November 2022, Mr C saw an advertisement on a social media platform to invest with a firm which appeared to be affiliated with a well known businessman. Mr C registered his interest and was contacted by someone claiming to work for the firm as a 'senior trader', who would trade on his behalf. Unfortunately, unknown to Mr C at the time, this individual was in fact a fraudster, and the firm was a scam.

On the fraudster's instruction, Mr C opened an account on the fraudulent platform, as well as accounts with Revolut and cryptocurrency platforms. Mr C was led to believe he was investing in a range of commodities, but that in order to do so, he first needed to convert his funds into cryptocurrency. Mr C therefore transferred funds from another of his personal bank accounts to his Revolut account – and from there most funds were sent to a cryptocurrency platform. Mr C made and received the following payments on his accounts with Revolut in relation to the scam:

Payment number	Date	Payment type	Value ("+" for credit, otherwise debits)	Comments
1	22/11/2022	Card payment to cryptocurrency provider	£3,000	
2	23/11/2022	Card payment to cryptocurrency provider	£2,000	
	24/11/2022		+£78.56	Credit from cryptocurrency platform
3	28/11/2022	Card payment to cryptocurrency provider	£9,999	
4	01/12/2022	Card payment to cryptocurrency provider	£6,000	
	16/12/2022		+£20,000	Personal loan taken out
5	19/12/2022	Card payment to cryptocurrency provider	£18,000	
	13/01/2023		+£1,000	Credit from unknown individual
6	13/01/2023	Card payment to cryptocurrency provider	£1,000	
	16/01/2023		+£2,000	Credit from unknown individual
	16/01/2023		+£20,000	Personal loan taken out
7	17/01/2023	Card payment to cryptocurrency provider	£2,000	
	19/01/2023		+£2,800	Credit from unknown individual
8	19/01/2023	Card payment to cryptocurrency provider	£2,600	
9	06/02/2023	Card payment to cryptocurrency provider	£5,100	
10	09/02/2023	Card payment to cryptocurrency provider	£3,400	
11	16/02/2023	Card payment to cryptocurrency provider	£1,850	
12	17/03/2023	Card payment to cryptocurrency provider	£4,500	
13	23/03/2023	Card payment to cryptocurrency provider	£3,757	
14	07/04/2023	Card payment to cryptocurrency provider	£9,200	
15	12/04/2023	Card payment to cryptocurrency provider	£5,000	
16	24/04/2023	Card payment to cryptocurrency provider	£1,500	
17	04/05/2023	Card payment to	£2,900	

		cryptocurrency provider		
	10/08/2023		£110	Exchanged into cryptocurrency
	10/08/2023		£6,000	Exchanged to cryptocurrency
18	10/08/2023	Cryptocurrency withdrawal from above exchanges	0.08640000 Bitcoin (BTC)	
19	10/08/2023	Cryptocurrency withdrawal from above exchanges	0.00016749BTC	
	14/08/2023		£2,000	Exchanged to cryptocurrency
20	14/08/2023	Cryptocurrency withdrawal from above exchanges	0.08300000BTC	

Mr C was asked to receive (and transfer on) the credits from unknown individuals referenced above, as he was advised by the fraudster that other customers were having difficulty setting up their investment platforms. The two £20,000 personal loans were taken out by Mr C solely for the purpose of the scam, under the fraudster's advice, as Mr C has explained he was pressured to invest more and more funds. I'll return to consider these transactions later in my decision.

Mr C has explained that from around April 2023 he attempted to withdraw some of the perceived profits made on his account, but encountered numerous reasons why this couldn't be actioned, such as blocks being applied that needed payment to remove, as well as fees. As the requests for payments kept being made, without any funds being released, Mr C became aware he may have fallen victim to a scam and contacted Revolut to raise a claim.

Revolut investigated Mr C's claim but didn't consider it was responsible for his losses. In summary, it didn't consider it was liable as card payments were made to a cryptocurrency account in Mr C's control. For the cryptocurrency withdrawals, Revolut said it provided warnings confirming these were irreversible.

Mr C remained unhappy and referred his complaint to our service. An Investigator considered the complaint and upheld it in part. She considered that by the time Mr C made payment three towards the scam, there were enough indications that Mr C might be at risk of financial harm from fraud for Revolut to have intervened. She considered that had it done so, Mr C would've realised he was falling victim to a scam and not made further payments. However, the Investigator also thought Mr C ought to have done more to assure himself that this was a legitimate opportunity, prior to sending funds, and therefore thought Mr C should also be liable for 50% of these losses.

The Investigator considered deductions should be made for credits received by Mr C from unknown individuals during the scam and that after deductions, Revolut should apply 8% simple interest to Mr C's losses, except where payments were funded by a loan, in which case interest should be paid at the interest rate charged on the loan.

Revolut disagreed with the Investigator's opinion. To summarise, it said that:

- These were self-to-self payments, whereby Mr C sent the majority of funds to a beneficiary account owned and controlled by himself. Therefore the fraudulent activity did not occur on Mr C's Revolut account, but when he subsequently lost

control of his funds from another account.

- *Revolut is an Electronic Money Institution (EMI) and not a bank. Payments made were not out of character with the typical way in which an e-money account is used.*
- *Our service's recent reliance on a case regarding an Administrative Court judgment is misconceived and amounts to a legal error.*
- *An inquiry into the loan issuance process that Mr C underwent would be crucial in this case to determine whether the credit providers engaged in appropriate due diligence and whether Mr C misled the lenders, which would ultimately be classified as loan fraud. Revolut argued that if Mr C has been dishonest in obtaining the loans, the entity which has truly suffered the loss of the loan amount is the loan provider, not Mr C. In the case of either inappropriate due diligence by the loan company, or dishonesty on Mr C's part, it would be irrational to hold Revolut responsible for the resulting loss.*
- *Revolut also argued that by finding it liable, there is no incentive for loan companies to improve due diligence. And, if Mr C lied to obtain the loans, he has committed a crime and rather than considering the complaint, he should be reported to law enforcement.*

As Revolut disagreed with the Investigator's view, the complaint has been referred to me for a decision.

What I've provisionally 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 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 in November 2022 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 (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 does; and*
- *have been mindful of – among other things – common scam scenarios, how the fraudulent practices were evolving (including for example the common use of multi-stage fraud by scammers and 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 C was at risk of financial harm from fraud?

It isn't in dispute that Mr C has fallen victim to a cruel scam here, nor that he authorised the payments he made by card to his cryptocurrency wallet (from where that cryptocurrency was subsequently transferred to the scammer).

Whilst I have set out in this decision the circumstances which led Mr C to make the payments using his Revolut account and the process by which that money ultimately fell into the hands of the fraudster, I am mindful that, at that time, Revolut had much less information available to it upon which to discern whether any of the payments presented an increased risk that Mr C might be the victim of a scam.

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 its 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 would be credited to a cryptocurrency wallet held in Mr C's name. However I don't consider this ought to have led Revolut to conclude that there was no risk of fraud associated with such payments.

By the time Mr C made the third payment towards the scam, he had sent just under £15,000 to cryptocurrency platforms within a week, with this third payment also considerably higher in value than the previous payments and of a significant amount. Given the combination of payment frequency, overall payment value and, particularly, the notable value of this third payment, I think Revolut ought by the time it was instructed to make that payment to have considered that Mr C was at a heightened risk of financial harm from fraud.

As set out above, I think an appropriate point for Revolut to have intervened in the scam payments was when Mr C instructed it to make payment three in November 2022. Based on the risk associated with the payment, I think appropriate action at this point would have been human intervention, whether by phone or in-app chat, to better understand the payments Mr C was making.

During such intervention I would have expected Revolut to question the purpose for the payments Mr C was making to see whether he might be the victim of a cryptocurrency scam and warn him accordingly. In doing so I would have expected Revolut to focus on known hallmarks of cryptocurrency investment scams, such as whether Mr C had a financial advisor involved, when Mr C opened the cryptocurrency account and what initiated this decision, where Mr C heard of the investment opportunity, the current location of his cryptocurrency funds and the inability to freely withdraw his funds.

What did Revolut do to warn Mr C and should it have done more in the circumstances?

Revolut has also said it sent a general email to Mr C in May 2023 advising on scams, particularly regarding investments. The email wasn't specific to Mr C and so to most people arguably wouldn't have drawn the same level of attention, and required no two-way discussion from Mr C to consider what he was being told and respond accordingly, as direct intervention would have required. In any event, I'm conscious this email was sent around six months after the point I consider Revolut ought to have identified Mr C was at risk of harm from fraud.

Revolut has also advised that warnings were provided to Mr C when he made the cryptocurrency withdrawals from his account – but these weren't until August 2023, when Mr C's financial input into the scam was far greater and therefore arguably placing him in a

different mindset to what he would have been in November 2022. In any event, these warnings focused on the payments being non-reversible and confirming Mr C was the owner of the cryptocurrency wallet, rather than providing scam information.

I don't consider either warning to be sufficient and I think Revolut should have gone further by providing a human intervention in November 2022. I've therefore thought about whether intervention covering the hallmarks I've noted above, which I think would have been proportionate, would have deterred Mr C from going ahead with the payments from that point on.

Intervention from other financial businesses related to these scam payments and Mr C's response

I've thought about the actions taken by other financial businesses that Mr C dealt with and whether Mr C's responses to their actions provides an indication of how he would've responded to proportionate warnings from Revolut.

When Mr C made his two loan applications as part of the scam, each time he was asked to provide the loan purpose, and both times he selected 'home improvements'. One lender has advised Mr C told them this over the phone, although no call recording or further context about the call has been provided. The other loan provider doesn't appear to have asked any further questions about the loan purpose, however it did provide a warning, albeit brief, about cryptocurrency scams. The loan provider told Mr C 'If there have been any phone calls in an approach to making loan applications and a link to [specific cryptocurrency firm] please try to avoid this scam as people are getting defrauded by this. If you do receive anything calling about [cryptocurrency firm] or trying to invest in trades or anything like that please do avoid it'. The warning however referenced a cryptocurrency firm different to that which Mr C was using. Having considered this warning, I think it's understandable that this warning didn't impact Mr C's decision to invest. The warning doesn't obviously relate to the circumstances he found himself in – an investment scam that he had found online - and appears heavily focused around a different cryptocurrency provider (that Mr C had not used). It doesn't explain the common features of cryptocurrency scams and, overall, I can see why Mr C didn't recognise his circumstances in the ones I've described.

I've also considered Mr C's interactions with the financial business from which he credited his Revolut account in order to fund the scam. Mr C was provided with an automated query about the transfer purpose, and at different times during the scam he selected 'paying for goods and services' and 'paying family and friends' – which were not the most appropriate options to what Mr C was actually doing ('investments' being another available option).

If Revolut had intervened as set out above, would that have prevented the losses Mr C incurred?

In order to determine whether interventions by Revolut would've made a difference here, I've considered the following:

Would Mr C have misled Revolut during any intervention steps it took (as he did with other financial businesses) and if so, would that have prevented Revolut from providing an appropriate warning?

In these circumstances, I accept there's evidence that Mr C provided inaccurate information to other financial businesses when asked about the payments he was making, so I've considered whether I think it's likely Revolut could've established the genuine payment

purpose in order to provide a sufficiently accurate warning to Mr C. I think it's entirely possible that, at the beginning of any questioning by Revolut, Mr C may have misled it on the payment purpose here. However, Mr C's interactions with the other financial businesses were responses to automated questions, where Mr C was only required to choose a payment purpose from a list of options, rather than via a discussion with a fraud advisor. Given the different natures of those interventions, I don't think it can be determined that Mr C would've chosen to mislead Revolut in an open conversation, purely based on his payment purpose selection to another banking provider and the very brief interactions with the loan providers. In any event, Revolut were at an advantage here that regardless of Mr C's responses to questioning, it was aware that Mr C was making payments to cryptocurrency.

Therefore, Revolut had the opportunity to provide a warning on cryptocurrency investment scams (the most common scam for this payment type), based on the payment destination alone, that would've been aligned with the situation Mr C was in.

Would Mr C have ignored a warning from Revolut as he had the warnings from other businesses?

I think an impactful warning on cryptocurrency investment scams would have included a number of key hallmarks for this scam type. For example, I would expect Revolut to cover the presence of a 'financial advisor' or 'trader', social media advertisements, celebrity endorsements, unrealistic returns and the inability to withdraw as much from the investment as you choose. This would've been unlike any warning Mr C had received up until that point from other financial businesses involved.

I think that a warning covering such features would have resonated sufficiently with Mr C and uncovered that this wasn't a legitimate opportunity, given how many of those features were present in these circumstances.

Was Mr C so 'under the spell' of the fraudster, or driven by profits, that he would've continued, irrespective of any warning provided?

I've thought about whether Mr C too heavily 'under the spell' here of the fraudster (that is, so drawn in by what the fraudster was telling him that he was unable to see past it) for warnings from Revolut to have helped protect him here. Unfortunately, much of Mr C's interactions with the fraudster occurred by phone, so it's not clear from the messages provided how much trust Mr C was willing to place in the fraudster. However, later into the scam when Mr C was repeatedly asked by the fraudster for fees, Mr C was able to identify inconsistencies in what he was being told and question them, so I don't think he would have been closed off to any advice provided by Revolut on how to protect himself.

Additionally, the point at which I've suggested Revolut ought to have intervened was early on in the scam, when the fraudster would have had less of an opportunity to build trust with Mr C. As less funds had been sent at this point (and perceived returns were likely to have been less significant), I think it's probable that there was less of a pressure to 'see the scam through' in the hope some money might be recovered (or in the hope that it did turn out to be legitimate) than would have been the case later on in the scam, and Mr C would likely have been more open to external advice on the legitimacy of the opportunity.

I therefore think that, had Mr C been contacted by Revolut and given a relevant, timely warning, this would've been sufficient here to have prevented further losses to this scam.

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

In reaching my decision about what is fair and reasonable, I have taken into account that Mr C purchased cryptocurrency which credited an e-wallet held in his own name, rather than making a payment directly to the fraudsters. So the funds passed through an additional financial business before losses were incurred.

I have carefully considered Revolut's view that in a multi-stage fraud, the fraudulent activity didn't occur on the Revolut account. Revolut was neither the original source of Mr C's funds, nor the last financial business that received them before he lost them to the fraudster. But as I've set out in some detail above, I think that Revolut still should have recognised that Mr C might have been at risk of financial harm from fraud when he made the third payment towards the scam, and in those circumstances it should have intervened. Had it done so, I am satisfied it would have prevented the losses Mr C suffered. The fact that the money wasn't lost at the point it was transferred to Mr C's own cryptocurrency account does not alter that fact and I think Revolut can fairly be held responsible for Mr C's loss in such circumstances. I don't think there is any point of law or principle that says that a complaint can only be justified when it is brought against either the firm that is the origin of the funds or the ultimate point of loss.

I've also considered that Mr C has only complained against Revolut about the money he lost from this account. I accept that it's possible that other firms might also have missed the opportunity to intervene or failed to act fairly and reasonably in some other way, and Mr C could instead, or in addition, have sought to complain against those firms. But Mr C has not chosen to do that and ultimately, I cannot compel him to. In those circumstances, I can only make an award against Revolut.

Ultimately, I must consider the complaint that has been referred to me (not those which haven't been or couldn't be referred to me) and for the reasons I have set out above, I am satisfied that it would be fair to hold Revolut responsible for Mr C's loss from the third payment he made to the scam (subject to a deduction for Mr C's own contribution which I will consider below).

Revolut has addressed an Administrative Court judgment, which was referred to in a decision on a separate complaint. As I have not referred to or relied on that judgment in reaching my conclusion in relation to the losses for which I consider it fair and reasonable to hold Revolut responsible, I do not intend to comment on it.

The use of loans to fund the scam Mr C fell victim to

Revolut has raised a number of concerns regarding this scam being largely funded by loans taken out by Mr C - and whether Mr C should be reimbursed if creditors were deceived during the loan application process, or failed themselves to conduct adequate due diligence.

I've carefully considered Revolut's concerns and whether I think they should impact whether Mr C is entitled to reimbursement, as well as what other investigations are proportionate here.

I've briefly summarised those arguments below:

- a) It's the lender, rather than Mr C, that's 'truly' lost out.*
- b) Our service should investigate how the loan was obtained, both because it could involve fraud on the part of Mr C and because it could provide evidence of how Mr C might have responded to any warnings.*

- c) *The lender may have lent the money without sufficient due diligence. In that case, it ought to be responsible, rather than Revolut. Should we find Revolut, rather than the loan company responsible, there is no incentive for lenders to improve their due diligence.*
- d) *If Mr C lied to obtain the loan, that would be illegal and a longstanding legal principle means he shouldn't benefit from that conduct. In other words: Revolut has the defence of 'illegality' against Mr C's claim*

Mr C is liable to repay the lenders, so I can't agree he hasn't suffered a loss as a result of paying away the loan funds to the fraudster. I nevertheless understand Revolut's concern at being held responsible (at least in part) for funds provided by the lender. And, I've thought about the arguments raised carefully, but they don't persuade me to exclude the loan-funded payments from reimbursement or to deny Mr C's claim in its entirety

As set out above, I've considered all of the circumstances which led to Mr C paying away funds from his Revolut account, including Mr C's interactions with the lenders. Our investigation has included contacting both lenders involved for available evidence of any interactions they had with Mr C as part of the application and considering the calls and application details provided. I've also considered the automated questions and subsequent warnings posed by Mr C's other banking provider.

I have not been asked to consider a complaint against the lenders involved - and any shortcomings of those lenders in terms of the quality of the enquiries they made before agreeing to lend to Mr C had no bearing on whether Revolut was sufficiently careful in detecting (and stopping) this scam. In any event, the role of our service is not to drive standards of due diligence among lenders or regulate how far lenders go in seeking information whether deciding whether or not to advance a loan. We are not a regulator but a provider of alternative dispute resolution services.

On the issue of illegality, it's important to note that I'm deciding a complaint, not a legal claim, so such a legal defence isn't strictly applicable. Nevertheless, I'm required to take into account relevant law in considering what is fair and reasonable in all of the circumstances, and I accept there could be circumstances where it would be fair to deny a complaint of this kind on the basis of the complainant's conduct in relation to third-party lenders. I don't think Mr C's case is one such set of circumstances, and I think that Revolut's arguments are an over-simplification of the relevant law. I've broken down my thoughts on this point below:

What specific misrepresentations did Mr C make to the lenders and other banking providers?

Mr C's other banking provider asked Mr C to select a reason for making his payments, via a tick box – and despite a more accurate option of 'investments' being listed, Mr C chose an inaccurate payment purpose. Similarly for his loans, the loan applications show that Mr C chose an incorrect purpose for obtaining the funds. In the case of these loans, it isn't clear from the evidence available to me whether the lender offered Mr C the choice of a more accurate purpose, but I'm aware from call notes with one lender that Mr C did confirm this loan purpose by phone also – so I don't think it was solely a lack of a closer payment purpose that caused him to misrepresent on his loan application.

Did Mr C make these misrepresentations dishonestly?

Based on Mr C misrepresenting the purpose for loans and payments on several occasions, I think it's fair to determine that this misrepresentation was made in the knowledge that it was incorrect and, albeit not necessarily with an awareness of the seriousness of this misrepresentation, dishonestly.

What was the context and degree of seriousness to Mr C's misrepresentations?

From the available evidence, I've seen nothing to suggest Mr C ventured into this apparent investment opportunity with anything but innocent intentions of making better returns on his money from what he believed was a genuine investment. Unfortunately, the nature of these scams is to convince individuals that to make money, they need to invest more and more funds for varying purposes in a short space of time, which are often outside of that individual's means. That was the case here and Mr C has also said that he was pressured repeatedly to invest more and that by doing so, he'd be able to pay off his mortgage and live a more comfortable life. During calls with one of the loan providers, Mr C did also ask about whether there would be fees for repaying the loan early, which I consider ties in with his testimony that he believed he would be receiving his funds back shortly after loans were received and had intended when obtaining the loans to repay them from his trading profits.

I've seen nothing to suggest Mr C embarked on a pre-meditated attempt to defraud the lenders. I've also noted that his interactions with the lenders were, on the face of it, fairly limited and if considering levels of dishonesty to obtain funds, I would say that Mr C's actions were at the lower end of any such scale.

Relevant case law for illegality concerns

The leading case for consideration here is Patel v Mirza [2016] UKSC 42, and the "trio of necessary considerations" which the case introduced, being summarised at paragraph [120] of the majority judgment were as follows:

"The essential rationale of the illegality doctrine is that it would be contrary to the public interest to enforce a claim if to do so would be harmful to the integrity of the legal system (or, possibly, certain aspects of public morality, the boundaries of which have never been made entirely clear and which do not arise for consideration in this case). In assessing whether the public interest would be harmed in that way, it is necessary (a) to consider the underlying purpose of the prohibition which has been transgressed and whether that purpose will be enhanced by denial of the claim, (b) to consider any other relevant public policy on which the denial of the claim may have an impact and (c) to consider whether denial of the claim would be a proportionate response to the illegality, bearing in mind that punishment is a matter for the criminal courts."

I'll therefore cover these considerations in the circumstances of this complaint.

Will the underlying purpose of the prohibition be enhanced by the denial of this claim?

In my view, the law prohibits people from misleading others into lending them money, because that type of conduct is likely to harm lenders and should be deterred. I think any enhancement to the purpose of the prohibition would be minor as a result of Mr C's claim being denied on this basis. It's possible he, or others aware of his situation, may become better aware of the importance of honesty during future loan applications or bank questioning. However an important consideration here was that Mr C was manipulated by the fraudster to take such actions – and so a repeat of a fraudulent loan application by Mr C, or others aware of his circumstances, seems unlikely, based on the loan application being the result of falling victim to an APP scam.

Would any other public policy be impacted by the denial of this claim?

Considering other relevant public policy on which denial of the claim may have an impact, there are two potential policies I've considered:

- 1) That denial of complaints on this ground could encourage financial businesses in the*

position of Revolut to adjust their commercial priorities towards focusing on probing customers for signs of dishonesty against third parties, rather than on preventing their own services being used for APP frauds that they may be in a position to detect. This could be counterproductive to the fight against APP frauds, which are a very significant source of harm, and sometimes very serious harm, to the public. However, I'd not attach too much weight to this consideration, as I'd expect such adjustments, if any, to be relatively minor.

- 2) In situations where the loan repayment remains outstanding, denying a complaint that would otherwise be successful on the basis of illegality means that not only is the complainant disadvantaged, but also potentially the lender, despite the customer's dishonesty in question having been committed against it. Denial of the complaint has the potential, therefore, to harm the victim of the complainant's misconduct, which seems undesirable.*

Given that there are opposing policy outcomes, none of which seems decisive, in my view the key consideration here becomes the third part of the relevant test – that is, whether denial of the claim would be a proportionate response to the illegality.

Would denial of the claim be a proportionate response to the illegality?

Mr C's actions had little bearing on Revolut's own opportunity to intervene and stop this scam and Revolut isn't the party which was deceived. The issue of deception is between Mr C and the lenders, who have a range of options to take should they consider it necessary. These include using the self-help systems developed by the finance industry to share information about fraud and financial crime and, of course, lenders can in an appropriate case consider pursuing civil remedies or going to the police. I think that these considerations point to a conclusion that the lenders have in their own hands more appropriate ways of responding and that denial of Mr C's complaint against Revolut isn't a proportionate response.

Considering the circumstances here holistically – that Mr C's expectations and intentions when obtaining the loan were to repay it shortly after, and the fact he was the unwitting victim of a scam that caused his actions – as well as both Mr C's and the lender's actions (or inactions) having no impact on Revolut's own ability to detect and respond here to indications of fraud – I don't think a proportionate outcome in the circumstances would be to deny Mr C compensation and I therefore think it remains fair to hold Revolut liable (at least in part) for those of his losses it could and should have prevented.

I've explained why, ultimately, I don't think the illegality argument Revolut has raised would prevail in this case. But, irrespective of whether I'm right or wrong about that, I'd reach the same decision based on what I consider fair and reasonable in all the circumstances.

Should Mr C bear any responsibility for his losses?

Mr C would not have lost any money if he hadn't allowed himself to be tricked by the fraudsters into making these "investments". And the question arises whether he should bear responsibility for all or part of his losses for having brought them on himself. In considering this point, I've taken into account what the law says about contributory negligence to help me decide what's fair and reasonable in the circumstances of this complaint.

I recognise that there were aspects to this scam that would have appeared convincing to a person in Mr C's position. He was in regular direct contact with an individual he believed was supporting his investment and had oversight of a trading platform that appeared legitimate.

However, I have also taken into account that it doesn't appear Mr C did much of his own independent research into this investment – while he was led to believe it was endorsed by a

well-known businessman, there's nothing official available for review that would link the two. Mr C was being promised financial freedom by investing in an area of high volatility, which appears, at the least, unprofessional advice. Additionally, Mr C was encouraged to take out loans, in order to further invest funds. I think this suggestion to take on debt in order to invest, again in a volatile field, should have struck Mr C as unusual and caused him to question the legitimacy of the advice he was being given. The fact that he found it necessary to conceal the true purpose of his borrowing should have given him further pause for thought about the sense of what he was engaged upon.

Overall I've concluded, on balance, that Mr C didn't do enough to protect himself from what should have been the obvious risks and that Revolut can fairly reduce the amount it pays to Mr C because of his role in what happened. Weighing the fault that I've found on both sides, I think a fair deduction is 50%.

Could Revolut have done anything else to recover Mr C's money?

I've also thought about whether Revolut could have done more to recover the funds after Mr C reported the fraud.

Payments were made either by card or withdrawals to a cryptocurrency provider and that cryptocurrency was sent on to the fraudsters. So, Revolut would not have been able to recover the funds.

In addition, I don't consider that a chargeback would have had any prospect of success given there's no dispute that the cryptocurrency platform performed its given role in providing cryptocurrency in return for payment in sterling.

Putting things right

Overall I think a fair outcome in this complaint is for Mr C and Revolut to be equally liable for losses Mr C incurred from his Revolut account from the payment on 28 November 2022 onwards and for Revolut to reimburse him 50% of these losses, plus interest from the date of these payments until the date of settlement.

Payments six, seven and eight made towards the scam were the result of Mr C having received credits from unknown third parties and being asked to transfer these funds on. These losses are therefore not Mr C's and don't require any reimbursement.

Additionally, £200 remained with Mr C of these funds after payment eight was made that wasn't his money. I therefore consider losses from payment nine should be reduced by £200 to account for these additional funds.

After deducting the above, Mr C's losses from debit card payments, after and including payment three is £71,006.

In addition, Mr C sent three cryptocurrency withdrawals to the fraudsters. Mr C's bank statement doesn't show the value of these three withdrawals in pounds sterling, but Revolut should be aware of this and be able to confirm this figure, prior to my final decision.

So Mr C's total outstanding loss is £71,006, plus the value of the three cryptocurrency payments. Revolut should reimburse half that amount.

While some payments towards the scam were funded by loans, given Revolut were unaware these loans had been obtained, and also considering the nature of the loans being obtained as set out above, I don't think interest awarded to Mr C should be tied to the interest rate of

the loans and think 8% simple interest across all payments being reimbursed is a fairer outcome.

My provisional decision

My provisional decision is that I uphold Mr C's complaint in part. I consider Revolut Ltd should pay Mr C:

- *50% of Mr C's outstanding loss after and including payment 3 to cryptocurrency providers - £35,503.*
- *50% of Mr C's losses from the three cryptocurrency withdrawals*
- *Apply 8% simple interest from the date each payment was made until the date of settlement*

Mr C confirmed he had nothing further to add to my provisional decision. Revolut confirmed it willing to settle the complaint on the terms I set out upon receipt of my 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 disagreed, nor provided further points for consideration, I see no reason to depart from the findings already set out in my provisional decision.

My final decision

My final decision is that I uphold Mr C's complaint in part. I direct Revolut Ltd to pay Mr C:

- 50% of Mr C's outstanding loss after and including payment 3 to cryptocurrency providers - £35,503.
- 50% of Mr C's losses from the three cryptocurrency withdrawals
- Apply 8% simple interest from the date each payment was made until the date of settlement

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 24 December 2025.

Kirsty Upton
Ombudsman