

The complaint

Mrs J complains that Revolut Ltd didn't do enough to protect her from the financial harm caused by an investment scam, or to help her recover the money once she'd reported the scam to it.

What happened

The detailed background to this complaint is well known to both parties. So, I'll only provide a brief overview of some of the key events here.

In March 2024, Mrs J saw an advert on social media about an opportunity to invest in cryptocurrency. She received a message from someone I'll refer to as "the scammer" who said she'd be working with a senior analyst to generate higher profits and that she could earn daily profits of 30% to 50%.

The scammer told Mrs J to open an account on a trading platform I'll refer to as "S" and when she did some research, she didn't see any information or reviews, which didn't strike her as concerning because she thought it was an emerging platform that had not yet established an online presence.

Mrs J was told to first purchase cryptocurrency through a cryptocurrency exchange company and then load it onto an online wallet, and on 28 March 2024 she made five faster payments to a cryptocurrency exchange totalling £5,455. She also made payments to the scam from Bank H.

Mrs J could see what she thought were her profits accumulating on the app, but she realised she'd been scammed when she tried to make a withdrawal and was instructed to pay a fee. She complained to Revolut, but it refused to refund any of the money explaining that it had provided sufficient warnings and that it attempted to recover the funds, but no funds remained.

Mrs J wasn't satisfied and so she complained to this service. She argued that Revolut ought to have known that scammers instruct victims to lie, and as she was paying a cryptocurrency exchange it should have recognised the transaction was high risk and asked more detailed questions and given more detailed warnings, including examples of how investment scams typically operate.

Responding to the complaint, Revolut explained the account was opened on 28 March 2024 and so there had been no transactional data to compare the payments with. It said Mrs J was given a new payee warning when she made the first payment, she failed to undertake reasonable due diligence, and she acted negligently when she went ahead with the payments having received a warning from Revolut.

Our investigator didn't think the complaint should be upheld. He noted that Revolut asked Mrs J questions and showed her educational stories about scams. It also forced her into a live chat where she was told to answer truthfully as a fraudster would tell her to hide the real purpose of the payment. He explained that when she was asked to provide a payment

purpose, Mrs J said, 'transfer to my other account'. She also said she hadn't installed any software, she'd found out about the investment through a 'friend or family member', she had complete control of the recipient account, and she wasn't being guided.

Our investigator commented that Mrs J's responses were not entirely accurate and that this prevented Revolut from detecting the scam. But he was satisfied the intervention was proportionate and he wouldn't have expected it to have done anything else.

Mrs J asked for her complaint to be reviewed by an Ombudsman. She maintained that Revolut didn't exercise the appropriate level of care and argued that it failed to identify her as a vulnerable customer despite the fact she was transferring funds to a cryptocurrency exchange. She also explained that she felt pressured to respond to Revolut's questions in a way that didn't reflect the full context of the situation, and that it should have taken additional steps to identify the risk rather than relying solely on her responses.

My provisional findings

I issued a provisional decision on 4 December 2025, in which I stated as follows:

I'm satisfied Mrs J 'authorised' the payments for the purposes of the of the Payment Services Regulations 2017 ('the Regulations'), in force at the time. So, although she didn't intend the money to go to scammers, under the Regulations, and under the terms and conditions of her bank account, Mrs J is presumed liable for the loss in the first instance.

There's not dispute that this was a scam, but although Mrs J didn't intend her money to go to scammers, she did authorise the disputed payments. Revolut is expected to process payments and withdrawals that a customer authorises it to make, but where the customer has been the victim of a scam, it may sometimes be fair and reasonable for the bank to reimburse them even though they authorised the payment.

Prevention

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.

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 March 2024 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;
- 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.

I've thought about whether Revolut could have done more to prevent the scam from occurring altogether. Buying cryptocurrency is a legitimate activity and from the evidence I've seen, the payments were made to a genuine cryptocurrency exchange company. However, Revolut ought to fairly and reasonably be alert to fraud and scams and these payments were part of a wider scam, so I need to consider whether it did enough when she tried to make the payments. If there are unusual or suspicious payments on an account, I'd expect Revolut to intervene with a view to protecting Mrs J from financial harm due to fraud.

The first payment flagged on Revolut's system and Mrs J was shown a new payee warning. She was asked questions and shown generic warnings before the second payment, and for the third payment, which was for £500, Mrs J was asked questions and shown generic warnings before being directed to a live chat with one of Revolut's agents.

I'm satisfied that the interventions for payments one and two were proportionate to the risk presented by the payments. For the third intervention, Mrs J was asked to provide a payment purpose, in response to which she said she was transferring funds to her other account. She was then warned that the transaction might be a scam, and asked further automated questions where she answered that she was not being assisted to answer the questions, she was investing in foreign exchange, commodities, stocks of bonds, she hadn't been asked to install any software, she had discovered the opportunity through a friend or family member, and she was sending funds to an existing account in her name. From there, Mrs J was forced into a live chat with one of Revolut's agents where she confirmed she was making an investment, and she wasn't being guided.

I've considered whether this intervention was proportionate, and I'm satisfied Miss J was asked probing questions and that her responses prevented Revolut from detecting the scam. However, while I can see she was warned the payment was high-risk and Revolut has said it would have given a more appropriate warning if she'd given a more appropriate payment purpose, it would have known she was sending the funds to a cryptocurrency exchange and so, regardless of her responses, it ought reasonably to have given her a warning which was tailored to cryptocurrency investment scams before allowing the payment to be processed.

I've considered whether a tailored warning about cryptocurrency investment scams would have made any difference and, as there were red flags present – Mrs J found the investment on social media, she was being assisted by a third party, and she'd been asked to make an onwards payment from the cryptocurrency exchange - I think a warning outlining some of the main features of common cryptocurrency scams would have resonated with her. Mrs J had trusted the scammer to the extent that she was prepared to lie to Revolut to ensure the payments were processed, but I don't think there was a closeness of relationship that Revolut would have found difficult to counter through a warning.

I haven't seen any evidence that she'd been coached to ignore warnings or that she'd ignored relevant warnings from other banks. And she hadn't invested so much that she would have felt compelled to continue making payments to recover her investment. So, I think a robust warning while she was engaged in a live chat with one of Revolut's agents would likely have impacted her decision making to the extent that she'd have done some research and discovered she was being scammed. So, I'm minded to direct that Revolut should refund the money she'd lost from the third payment onwards.

Contributory negligence

Mrs J had no investment experience and so I don't think it was unreasonable for her to have believed what she was told in terms of the returns she was told were possible, notwithstanding the fact it was highly implausible. This unfamiliarity was compounded by the sophisticated nature of the scam and the fact she believed the trading platform was genuine.

But there's a general principle that consumers must take responsibility for their decisions and conduct suitable due diligence and if Mrs J had checked Trust Pilot before sending funds on the instruction of someone she'd found on social media, she'd have seen there were negative reviews suggesting S was a scam. There would also have been a lot in information about cryptocurrency scams in general. So, I agree that her failure to do proper checks contributed to her loss.

In addition, Mrs J wasn't forthcoming in her responses to Revolut's questions, and if she'd told it there was a third party involved and that she'd found the investment on social media, it would have detected the scam, and her loss could have been prevented. So, I'm minded to direct that the settlement should be reduced for contributory negligence.

Recovery

I don't think there was a realistic prospect of a successful recovery because Mrs J paid an account in her own name and moved the funds onwards from there.

Compensation

The main cause for the upset was the scammer who persuaded Mrs J to part with her funds. I haven't found any errors or delays to Revolut's investigation, so I don't think she is entitled to any compensation.

Developments

Revolut hasn't responded to my provisional decision, but Mrs J has made some additional comments.

She has explained that she did search online - including on Trustpilot – before she made the payments and while there was high-level guidance about cryptocurrency scams, there were no reviews at all about the scam company. She thought this was because it was new and didn't have an online presence.

She has argued that she acted in good faith and didn't ignore any warning signs. The scam involved highly sophisticated psychological manipulation including a staged investor group, people pretending to have gained profits, a "senior analyst" who appeared knowledgeable and trustworthy, and a convincing trading dashboard that convinced her the opportunity was safe. So, she doesn't think the settlement should be reduced for contributory negligence.

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've considered the additional comments raised by Mrs J, but I'm afraid the findings in my final decision will be the same as the findings in my provisional decision.

I accept this was a sophisticated scam and that Mrs J didn't see anything concerning before she made the first payment. But I've seen negative reviews dated before Mrs J made the payments, suggesting she didn't do reasonable due diligence. And, as I've explained above,

if she'd disclosed the existence of the scammer and mentioned that she'd found the investment on social media when she interacted with Revolut before the third payment, it would have detected the scam, and her loss could have been prevented.

So, I maintain that the settlement should be reduced for contributory negligence.

My final decision

My final decision is that Revolut Ltd should:

- refund the money Mrs J lost from the third payment onwards.
- this settlement should be reduced by 50% to reflect contributory negligence.
- pay 8% simple interest*, per year, from the respective dates of loss to the date of settlement.

*If Revolut Ltd deducts tax in relation to the interest element of this award it should provide Mrs J with the appropriate tax deduction certificate.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs J to accept or reject my decision before 16 January 2026.

Carolyn Bonnell
Ombudsman