

The complaint

Mr A complains that Revolut Ltd won't refund money he lost when he was a victim of a scam.

What happened

The background to this complaint is well known to both parties and so I'll only refer to some key events here.

Mr A fell victim to an investment scam in April 2025 with a firm I'll refer to as 'P'. As part of the scam, Mr A exchanged £999.99 to USDT on his Revolut account that he forwarded to P - under the belief it was legitimate and that he would secure a larger return.

Mr A notified Revolut of the scam and raised a complaint. Revolut rejected it and wouldn't refund him – as they considered they weren't liable for the authorised transactions and that they had treated Mr A fairly.

The complaint was referred to the Financial Ombudsman. Our Investigator didn't think the exchange of fiat currency to USDT, which was a transaction our service could consider, was unusual enough for Revolut to suspect Mr A might be at risk of financial harm from fraud. So, she wouldn't reasonably have expected the transaction to have triggered Revolut's fraud detection system. But even if they had, she didn't think Revolut would've uncovered the scam or prevented Mr A's loss – as Revolut did intervene before processing the crypto withdrawal and were satisfied it was for genuine purposes.

Mr A disagreed with our Investigator and so, the matter has been passed to me to decide.

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'm sorry Mr A has been the victim of a scam, and I don't underestimate the impact this has had - both financially but also on his mental health and wellbeing. But while I accept Mr A has lost a lot of money due to the deception of scammers, I must consider whether Revolut is responsible for the loss he has suffered. I haven't made my decision lightly. But while I know this won't be the outcome Mr A is hoping for, for similar reasons as our Investigator, I don't think they are. So, I don't think Revolut has acted unfairly by not refunding Mr A. I'll explain why.

Before I do, I want to reassure Mr A that I've considered everything he has submitted in support of his complaint. And so, while I've summarised this complaint in far less detail than what has been provided, I want to stress that no discourtesy is intended by this. If there is a submission I've not addressed, it isn't because I have ignored the point. It's simply because my findings focus on what I consider to be the central issue in this complaint – that being whether Revolut are responsible for any loss Mr A suffered because of the scam.

Mr A has referenced the Authorised Push Payment (APP) Fraud Reimbursement Scheme that came into effect in October 2024. Nevertheless, this scheme doesn't cover the transactions Mr A is disputing here – as it only covers payments made by Faster Payment or CHAPS sent to an account that isn't in the person's own control. And in this case, Mr A was exchanging fiat currency to crypto with his Revolut account before forwarding it to the scam as a crypto withdrawal (and so, not a Faster Payment or CHAPS). I've therefore considered whether it would otherwise be fair and reasonable to hold Revolut responsible for Mr A's loss.

In broad terms, the starting position in law is that an electronic money institution (EMI) is expected to process transactions that their customer authorises them to make. It isn't disputed that Mr A knowingly made the transactions on his account and so, I'm satisfied he authorised them. Therefore, under the Payment Services Regulations 2017 and the terms of his account, Revolut are expected to process Mr A's transactions, and he is presumed liable for the loss in the first instance.

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;
- 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 their products, including the contractual terms, enabled them 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 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.

At which point, I'm aware that Revolut has argued that this complaint isn't within our jurisdiction – as crypto withdrawals aren't a regulated activity, nor can the exchange of fiat currency to crypto be considered as an ancillary service to payment services in situations whereby the ultimate asset the customer receives is an unregulated crypto asset. I've given careful thought to Revolut's points on this. Having done so, I don't agree.

I accept crypto withdrawals aren't a regulated activity which means I cannot consider them in isolation. But I agree with our Investigator that the exchange of fiat money to crypto, which although not a regulated activity, is one which our service would consider ancillary to payment services. This is in the same way we consider exchanging GBP into foreign currency an ancillary activity. And I'm not persuaded that the ultimate asset being an unregulated crypto asset changes that. Therefore, given the nature of Mr A's complaint, I'm satisfied that I can consider whether Revolut did what they should have, in relation to his funds and account, when he used Revolut to exchange his fiat money to crypto. And if not, whether this caused Mr A to suffer his loss.

So, the starting point here is whether the £999.99 instruction given by Mr A to Revolut was unusual enough to have expected additional checks to be carried out before the transaction was processed.

When considering this, I've kept in mind that EMI's process high volumes of transactions each day. And that there is a balance for Revolut to find between allowing customers to be able to use their account and questioning transactions to confirm they're legitimate – as it wouldn't be practical for EMI's to carry out additional checks before processing every transaction.

Mr A's account, which was opened in 2020, was used at times for payments of several hundred pounds – but not, from I've seen, crypto purposes. But while the £999.99 crypto exchange transaction might have been new for Mr A's account, I must take into consideration that many Revolut customers use their services for legitimate crypto purposes. So, I don't think this alone would've given Revolut enough reason to suspect Mr A could be at significant risk of financial harm from fraud. And it is also common for consumers to make transactions, of a larger value, as part of normal account activity. I therefore similarly don't think the value of the transaction was so unusual or suspicious whereby I would've reasonably expected Revolut to have been concerned – thereby prompting additional checks to be carried out before processing it.

I understand Mr A will disagree, as he's said Revolut should've done more to protect him from what is a high-risk area (crypto). And that, as this activity departed from his historical account behaviour, Revolut should've applied greater scrutiny to it. I'm also aware that Mr A was suffering from mental health conditions that he's explained impacted his cognitive judgement, decision-making capacity and ability to assess risk – thereby putting him in a position of vulnerability.

While I'm sympathetic to Mr A's circumstances, Revolut – as I understand – weren't made aware of his health conditions at the time. And although Revolut ought to take reasonable steps to detect vulnerabilities (to protect their customers), in these circumstances, I don't think Revolut could reasonably have been able to establish any underlying vulnerability from the payment activity alone. So, in these circumstances, I wouldn't reasonably have expected Revolut to have questioned Mr A – as he has suggested - as to whether he had any vulnerability.

As I've said, the majority of crypto transactions Revolut process will be for legitimate purposes and not associated with any kind of fraud. I've also given due consideration to Revolut's duty to make payments promptly, as well as what I consider to have been good industry practice at the time this transaction was made. And here, ultimately, I'm not persuaded that the £999.99 transaction presented an identifiable risk of financial harm that warranted Revolut carrying out additional checks before processing it.

On a final note, I'm aware that Mr A has argued the warnings Revolut did provide were insufficient. While I've noted Mr A's views on this, I'm unable to consider the adequacy or effectiveness of these warnings as they were provided at the point the crypto was withdrawn – which isn't something I can consider as crypto withdrawals aren't a regulated activity.

Recovery of funds

Crypto withdrawals aren't a regulated activity and so, it isn't something I can consider. That said, the irreversible nature of crypto transactions meant there was no method of recovery here.

I appreciate Mr A will be disappointed by this outcome. I realise the scam has had a huge impact on him. But it would only be fair for me to direct Revolut to refund his loss if I thought they were responsible. And for the above reasons, I don't think they are. I therefore think Revolut have acted fairly and so I'm not going to tell them to do anything further.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 12 March 2026.

Daniel O'Dell
Ombudsman