

The complaint

Mr D complains that Revolut Ltd (Revolut) won't refund money he lost when he fell victim to an investment scam.

Mr D is being represented in this complaint.

What happened

Mr D says he found an advertisement for a supposed 'investment' company, who I'll call T.

After contacting T, he was introduced to an adviser who would manage the investment for him. Mr D communicated with T via a well-known messaging platform. He was told to download remote access software, so that T could help him with the investment and was given access to a platform to track it. Unfortunately, he later discovered that T was operating a scam.

With help from T, Mr D then set up accounts with Revolut and a cryptocurrency exchange, which I'll call Exchange B. Mr D sent money from an account with a different firm through his accounts with Revolut and Exchange B, to his account with T. Mr D said the scammers used his card details to make some of the payments to Exchange B, and then from there to T. He was then able to see the deposits in his account with T.

Mr D said he was tricked into believing his investment had grown significantly but became suspicious when he couldn't withdraw funds without paying fees. After being shown his funds were being held, he was persuaded to take a loan to fund the withdrawal fees required to release them. But he was then asked for further monies. Mr D said he realised he'd been scammed at this point.

The payments in dispute are below:

| Payment | Date | Amount |
|---------|----------------------------|--------|
| 1 | Card payment to Exchange B | £1,001 |
| 2 | Card payment to Exchange B | £999 |
| 3 | Card payment to Exchange B | £5,000 |
| 4 | Card payment to Exchange B | £4,950 |

Mr D initially complained about a mix of card payments, and cryptocurrency withdrawals from Revolut. He and his representative later confirmed that it was only the card payments above that were connected to the scam and in dispute.

Revolut didn't agree with Mr D's complaint though. Revolut said the card payments were authorised in-app, and so they were processed in line with the instructions it received. Revolut also felt that Mr D had been negligent in sending funds to an unknown beneficiary without questioning who they were.

Unhappy with the response, Mr D referred the complaint to the Financial Ombudsman Service.

Our Investigator looked into Mr D's complaint about the four card payments but didn't uphold it. They felt Revolut ought to have intervened on Payment 3, asked Mr D what he was doing, and provided relevant scam warnings based on his responses. However, as Mr D had expressed concerns that the investment scheme was a scam, yet continued to make payments, and had followed T's advice to mislead a loan company, they didn't think an intervention would've prevented the scam or Mr D's loss.

Mr D and his representative disagreed and argued it was unfair to assume Mr D would've misled Revolut, had it intervened as it should've.

So, the case was passed to me to determine.

I sent Mr D and Santander a provisional decision on 20 January 2026, setting out why I intended to uphold the complaint. In my provisional decision I said the following:

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 intend on upholding Mr D's complaint in part. I'll explain why.

I've considered what Mr D has told us about how the payments came to be made. He recalls that the scammers used his Revolut card details to help him make the payments to Exchange B, and then on to T. Given Mr D understood that payments were being made from his Revolut account, they would be considered authorised under the relevant regulations.

While I recognise that Mr D didn't intend the money to go to scammers, 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 July 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 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;*
- *from 31 July 2023, 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 its products, including the contractual terms, enabled it 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 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.*

Considering the above, I've thought about whether Revolut ought to have had a closer look at the circumstances surrounding Mr D's payments. For example, if they were particularly out of character.

The disputed payments were identifiably cryptocurrency related. I think Revolut ought to have recognised this, and that the payments therefore carried a higher risk of being linked to a fraud or scam – one that many firms had recognised and placed restrictions or additional friction on cryptocurrency purchases as a result.

That being said, I don't think the first two payments would've appeared so suspicious to Revolut, such that it ought to have intervened. I'll explain why.

Mr D had opened the Revolut account on the advice of the scammer, and the disputed payments were the first four payments made from the account. Given this, Revolut had nothing to compare the disputed payments to, to assess what activity was 'typical' for Mr D.

Revolut is an Electronic Money Institution (EMI), and its electronic money accounts can often be used differently to a traditional current account at a bank. Accounts may be opened or used just for the purpose of undertaking a certain payment, or a series of payments, due to some of the benefits that a particular EMI might offer. I must also bear in mind that Revolut needs to strike a balance in the extent to which it intervenes in payments, against the risk of unduly inconveniencing or delaying legitimate payment requests. Considering all of this, I don't think there was a significantly heightened risk of financial harm evident, that meant Revolut should have intervened in Payment 1 or 2.

By Payment 3 though, the value of the payments had increased significantly from those initially made to Exchange B. Escalations in the values of payments, can often be an indicator that the account holder might be at risk of financial harm. Also, as I've said, I do think Revolut ought to have been aware of an increased risk to its customer, when they use its services to purchase cryptocurrency or send money to exchanges like Exchange B. So given that increased risk and the difference to previous account activity, I think Revolut ought to have taken steps and intervened at Payment 3.

So, now I've established that Revolut ought to have intervened, I've gone on to consider how and what impact that might have had on the success of the scam.

What should Revolut have done, and would it have made a difference?

I consider a proportionate intervention at the point of Payment 3, would have been for Revolut to ask an automated series of questions about the purpose behind the payment, factoring in that it was going to cryptocurrency. Once it had narrowed down the potential risk to Mr D, Revolut should have provided a warning which covered off the key features of the scam risk identified.

Mr D was falling victim to an investment scam. So, I'd expect any such warning to have covered off key features of this type of scam such as: the use of celebrities to endorse the investment opportunities; the use of fake sites to show fake investment returns; using small returns initially to entice larger investment; assistance in setting up accounts, often through the use of remote access tools; the promise or guarantee of returns that are often too good to be true; the coaching of what to say and do if firms stop payments and, the introduction of unexpected fees and taxes to prevent withdrawals.

There were several common hallmarks of an investment scam that Mr D was falling victim to, which would've aligned with a warning like the one above. So had Mr D received such a

warning, I think it would've resonated with him and caused him to question the legitimacy of the scammer, which at the point of Payment 3, he was doing himself.

I've thought about the fact the receipt of such a specific warning would've depended largely on Mr D accurately answering the questions that Revolut posed. Mr D had shortly before Payment 3, followed the scammer's advice to take a loan, and say it was for Home Improvements. While that might suggest that Mr D would've continued to follow any instructions from the scammer, it's important to view his failure to disclose the true purpose of the loan in the context of the circumstances at the time.

Before Payment 3, Mr D had come across reviews of T on a well-known review site. Mr D pointed out to the scammer there were many reviews and none of them good, and he refused to pay any further amounts. He told the scammer it had "red flags all over it", and he was not clear that the alleged £31,000 existed. So, it's clear Mr D had concerns prior to Payment 3, about the legitimacy of the investment and what he was being asked to do.

Had Revolut questioned Mr D about the purpose of the payment as outlined earlier, the scammers would then have had to persuade Mr D to answer Revolut's questions in a way as not to arouse suspicion. Given Mr D's lack of trust in T at that time, I think he would've likely led him to further question the legitimacy of the scammer at that point.

Mr D had concerns which he raised with the scammer. Reassurances were provided and so he proceeded. Mr D's decision to go ahead at this time doesn't mean that he would have ignored a scam warning from Revolut, a regulated business. Revolut had information about the destination of the payment and therefore knew that it was cryptocurrency related. Had it attempted to narrow down the specific type of cryptocurrency scam Mr D might be falling victim to, I'm satisfied on balance that he would have indicated that this was in relation to an investment. Given he's already had his own suspicions about the venture, I think an appropriate warning about investment scams involving cryptocurrency would have resonated with him, such that he wouldn't have continued. But of course, his actions will form part of my consideration on whether he should share responsibility for what happened.

When thinking about whether Mr D should bear any responsibility for his losses connected to these payments, I've considered what the law says about contributory negligence, as well as what I consider to be fair and reasonable in all the circumstances of this complaint.

I acknowledge Mr D fell victim to a scam here, one where he paid money in the expectation of getting investment profits, but this was a scheme designed to obtain as much money from him as possible. I recognise that there were some relatively sophisticated aspects to this scam, that would've given some validity to it. Not least the platform where he could observe the performance and gains being made on his investment.

Nevertheless, I think Mr D should've done more to protect himself from the scam – particularly by the time of Payment 3.

By this point, Mr D was being asked to pay a large, unexpected demand for money, in order to release alleged profits from his investment. Mr D was shown his investment had, over the course of around two months, grown to £31,000. This was a significant increase on the amounts he said he invested, and I think it should have prompted him to consider whether it was plausible.

As I've mentioned already, given Mr D had recognised the red flags of the large, unexpected request for money and the negative reviews, I think he should've taken further steps to satisfy himself it was genuine before making further payments. Had Mr D carried out checks on what he was being asked to pay, as he did later which led him to realise it was a scam, I

think he would've found that it was a common scam tactic and not continued with Payments 3 and 4.

Weighing the fault that I've found on both sides, I think a fair deduction is 50%.

Could Revolut have recovered Mr D's funds?

I've considered if Revolut could've assisted Mr D in recovering his funds. The only option for Revolut to do so was to consider a chargeback. Chargeback is a process that allows card payments to be challenged – but only for specified reasons and under certain conditions and time limits. I wouldn't expect Revolut to raise chargeback claims if there was no reasonable prospect of them being successful.

At the point Mr D notified Revolut of the scam, the time-limit under Visa's rules to submit such a chargeback claim had passed.

Even if it hadn't, the payments Mr D made weren't to T directly. Instead, he sent funds to Exchange B to purchase cryptocurrency. As Exchange B provided the services asked of it when making Mr D's funds available for use on his account, and facilitating the purchase of cryptocurrency, I'm not satisfied that there would've been grounds for a successful chargeback anyway.

Compensation

Mr D's representatives did originally complain that he had suffered considerable trouble and upset in pursuit of this complaint. It asked for £300 in compensation from Revolut.

I can't see any specific reasons have been given as to how Mr D was caused this distress and inconvenience. I haven't seen anything that would persuade me to make an award of compensation against Revolut, so I won't be asking it to do anything differently here.

Putting things right

Revolut Ltd should refund 50% of Payment 3 and 4.

Revolut Ltd should also apply 8% simple interest, calculated annually, from the date of the payments to the date of settlement.

If Revolut Ltd considers that it's required by HM Revenue & Customs to deduct income tax from that interest, it should tell Mr D how much it's taken off. It should also give Mr D a tax deduction certificate if he asks for one, so he can reclaim the tax from HM Revenue & Customs if appropriate.

I said I'd consider anything further Mr D and Revolut submitted following the provisional decision.

Responses to my provisional decision

Revolut responded and confirmed it accepted my provisional decision.

Mr D said he didn't think the 50% deduction was fair.

Mr D said if there was any advice to be given at the time of the payments it would have come from Revolut. He said he didn't know what a scam investment would look like and if

Revolut had stopped the payment, discussed it with him and given him time to consider what it was he was doing, it is likely to have uncovered the scam and stopped further payments.

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.

In my provisional decision I accepted that had Revolut intervened on Payment 3 in the way I think it ought to, then Mr D's loss would've likely been prevented from that point onwards.

I also explained though, I must consider whether Mr D's actions (or inaction) meant he should bear any responsibility for his losses connected to these payments. I outlined why I think he should also bear some responsibility here.

I acknowledge Mr D didn't know what an investment scam looked like – had he known, he likely wouldn't have fallen victim to it. But even considering Mr D was a layperson in these investment matters, I think there were aspects of the investment he ought to have questioned, such as the investment returns. As I explained in my provisional decision, Mr D had already noted the risks involved in what he was doing. If he carried out the checks I think he ought to have at the point of Payment 3, I think it would've led to him realise the investment was not genuine sooner. So, I see no reason to depart from my provisional findings here.

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My final decision

For the reasons explained above, my final decision is that I uphold this complaint. Revolut Ltd needs to put things right as set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 17 March 2026.

John Ryan
Ombudsman