

The complaint

Mrs C complains about Revolut Ltd.

She says that Revolut didn't do enough to protect her when she became the victim of a scam and would like it to refund her the money she has lost as a result.

What happened

Mrs C came across an advert for cryptocurrency on social media and was interested in making an investment with the hopes of making more money.

She completed the contact form, and a short time later received an email from an individual introducing themselves and presenting as an employee of the company offering investment. Unfortunately, the individual was a scammer.

Mrs C was directed to open an account with the company and was then contacted via a messaging app by a different individual who gave her instructions to open an account with a crypto exchange (B) and Revolut. They said it would be better to use Revolut as most high street banks do not like crypto currency, and this would be easier for her.

Mrs C was then told to download AnyDesk, so that her assigned account manager could help her navigate the website and trading platform portal (which has been fabricated by the scammers) and show her how to invest and withdraw funds.

Mrs C then began to make payments, and initially was able to make some small withdrawals, which emboldened her to make further payments. These appeared on the portal to be making large profits. However, when she wanted to make a larger withdrawal, she was told she needed to pay more money. Mrs C did so, but the money did not materialise. Mrs C then made one more payment, but this didn't appear on the portal, and she realised she had been blocked by the scammer. She contacted Revolut to ask why she couldn't make a withdrawal, and the scam was uncovered. Below is a list of the payments Mrs C made from her account with Revolut. Which was funded by another account she held with a different business.

Payment	Date	Payee	Amount
1	13/02/2023	B - Crypto exchange	£11.59 Credit
2	14/02/2023	B - Crypto exchange	£1,500.00
3	14/02/2023	B - Crypto exchange	£116.00 Credit
4	15/02/2023	B - Crypto exchange	£36.81
5	16/02/2023	B - Crypto exchange	£72.67 Credit
6	17/02/2023	B - Crypto exchange	£2,242.00
7	10/03/2023	B - Crypto exchange	£275.76 Credit
8	23/03/2023	B - Crypto exchange	£2,110.00
9	27/03/2023	B - Crypto exchange	£1,401.22

10	28/03/2023	B - Crypto exchange	£1,401.22
		Total loss	£8,215.23

Mrs C then made a complaint to Revolut and said it should have done more to warn her about the risks of what she was doing, but it didn't uphold her complaint. So she brought her complaint to this Service.

Our Investigator looked into things but didn't think that Mrs C's complaint should be upheld. They said that while they recognised Mrs C had been the victim of a scam, they didn't think that the payments were unusual enough for Revolut to have intervened in what she was doing.

Mrs C and her representatives didn't accept this and asked for an Ombudsman to make a final decision, so the complaint has been passed to me.

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.

Having done so, I've decided not to uphold this complaint, for broadly the same reasons as our Investigator. I know this will be disappointing for Mrs C, so I'll explain why.

In broad terms, the starting position at law is that banks and other payment service providers (PSP's) are expected to process payments and withdrawals that a customer authorises it to make, in accordance with the Payment Services Regulations and the terms and conditions of the customer's account. And I have taken that into account when deciding what's fair and reasonable in this case.

Mrs C authorised the payments in question here – so even though she was tricked into doing so and didn't intend for the money to end up in the hands of a scammer, she is presumed liable in the first instance.

But this isn't the end of the story. As a matter of good industry practice, Revolut should also have taken proactive steps to identify and help prevent transactions – particularly unusual or uncharacteristic transactions – that could involve fraud or be the result of a scam. However, there is a balance to be struck: banks had (and have) obligations to be alert to fraud and scams and to act in their customers' best interests, but they can't reasonably be involved in every transaction

Taking into account the law, regulator's rules and guidance, relevant codes of practice and what I consider having been good industry practice at the time, I consider Revolut should fairly and reasonably:

- Have been monitoring accounts and any payments made or received to counter various risks, including anti-money laundering, countering the financing of terrorism, and 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 banks 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 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, before processing a payment, or in some cases declined to make a payment altogether, to help protect customers from the possibility of financial harm from fraud.
- 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.

In this case, I need to decide whether Revolut acted fairly and reasonably in its dealings with Mrs C when she authorised payments from her account or whether it could and should have done more before processing them.

Looking at the payments in question, I don't think that the amounts, or frequency of the payments were sufficiently unusual or suspicious enough for Revolut to have had concerns that Mrs C may have been at risk of financial harm. While I recognise that in total, Mrs C has lost a significant amount of money, there is a balance to be made between Revolut processing payments on a customer's request whilst protecting them from financial harm, and they can't reasonably be expected to intervene with every payment – even those going to cryptocurrency. And while such payments do carry an elevated risk, not every payment of this kind is as a result of a scam.

I understand that Mrs C's representatives have said that multiple banks had decided to implement friction or decline to allow their customers to make crypto payments, and that Revolut should have followed the standard set by the rest of the banking industry – but I can't agree. Cryptocurrency isn't illegal, and a lot of people wish to purchase it without being scammed. And as I've said above, while sometimes it can be utilised by scammers, this isn't always the case.

I am very sorry for the situation Mrs C now finds herself in, I know that she has lost a lot of money to a cruel scam. However, the loss has been caused by the scammer, not Revolut. And I can't ask it to refund her when I don't think that it has done anything wrong.

My final decision

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs C to accept or reject my decision before 2 January 2025.

Claire Pugh
Ombudsman