

The complaint

Miss T is complaining that Revolut Ltd won't reimburse money she lost to a scam.

What happened

The circumstances of the scam are well-known to both parties so I won't describe them in detail here.

In short, in June 2023 Miss T fell victim to an investment scam after seeing an advert on social media. She was contacted by someone who claimed to be an agent of the investment company, who guided her to set up a new account with Revolut in order to make cryptocurrency payments to an online investment platform set up by the scammers.

Miss T made the following exchanges to cryptocurrency between June 2023 and August 2023. She then transferred the cryptocurrency to a wallet as directed by the scammer – which then appeared to be credited to her account on the investment platform.

Date	Payment type	Amount of payment (in GBP equivalent)
20 June 2023	Exchanged to BTC	£625
26 June 2023	Exchanged to BTC	£1000
11 July 2023	Exchanged to BTC	£2000
12 July 2023	Exchanged to BTC	£2000
27 July 2023	Exchanged to BTC	£2000
1 August 2023	Exchanged to BTC	£2000
9 August 2023	Exchanged to BTC	£1907

Revolut say that when Miss T instructed the first cryptocurrency withdrawal, they showed her a general warning, which explained that funds couldn't be traced or recovered.

On 10 August 2023 Miss T attempted to make a withdrawal from the investment platform and she was asked to pay a fee – it was then that she realised she'd been scammed. She didn't report the scam to Revolut at that time, but she did raise a complaint in October 2023 saying that Revolut failed to appropriately intervene.

Revolut didn't uphold Miss T's complaint so she brought it to us. Our investigator looked into what had happened. He said, in summary, that taking into account all the circumstances of the transactions, he didn't think Revolut ought to have intervened.

Miss T disagreed, and asked for an Ombudsman to review things. So, her complaint has now been passed to me for review and a 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.

In broad terms, the starting position at law is that an Electronic Money Institution (“EMI”) such as Revolut are 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 that in June 2023 and by the time the scam payments ended in August 2023, 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 (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;
- 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 – (as in practice Revolut sometimes do); and
- 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.

Ultimately, I need to decide if the transactions were concerning enough to have expected Revolut to have had a closer look at the circumstances surrounding them. But I also need to keep in mind that EMI’s such as Revolut process high volumes of transactions each day, and that there is a balance to be found between allowing customers to be able to use their account and questioning transactions to confirm they’re legitimate.

In this case, Miss T’s Revolut account was opened to exchange funds to cryptocurrency to pay on to the scam, so Revolut had no account history with which to compare any transactions Miss T was making. This means Revolut would have been relying broadly on generic indicators of fraud risk as they wouldn’t have known what might be normal for Miss T’s account at that time – although they were aware that Miss T had opened the account for the purposes of transfers, overseas transfers, cashback and stocks.

While I appreciate the total amount lost to the scam represents a lot of money to Miss T, overall I don’t think the individual value of any of the transactions should have alerted Revolut that Miss T was at a heightened risk of financial harm. There were seven transactions which were spread over approximately six weeks and they didn’t escalate rapidly in value or frequency in the way that could be a warning sign that a scam might be taking place.

I would expect Revolut to be aware by June 2023 that scams involving cryptocurrency are increasingly prevalent, and I've taken this into account in deciding whether they ought to have intervened. But I must also consider that Revolut's customers can, and do, legitimately invest in cryptocurrency.

Overall, it was reasonable for Revolut to consider a range of factors when deciding whether to make further enquiries of Miss T about the transactions. In this case, the pattern of transactions wasn't necessarily indicative of fraud and their values did not suggest a heightened risk of financial harm. I also don't think the payments Miss T made were necessarily contradictory to her reasons for opening the account. Even combined with the fact that the payments were related to cryptocurrency, I don't think it was unreasonable for Revolut not to view the transactions as suspicious. So, I've not found that Revolut ought to have done any more to prevent Miss T from sending funds to the scam.

I don't think Revolut could reasonably have done anything to recover Miss T's funds. Miss T converted the funds into cryptocurrency and then sent this on to the scammer. As the funds were sent to an external wallet, and this isn't reversible, Revolut wouldn't have been able to recover them.

I know this outcome will be disappointing for Miss T and I'm sorry for that. It's not in dispute that she's been the victim of a cruel scam, and I can see why she'd think her money should be refunded. But for the reasons I've explained, I don't think Revolut should have done more to prevent her loss. So, it wouldn't be reasonable for me to ask them to refund the money she's lost.

My final decision

My final decision is that I'm not upholding Miss T's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss T to accept or reject my decision before 3 March 2025.

Helen Sutcliffe
Ombudsman