

The complaint

Mr G complains that Revolut Ltd ought to have done more to protect him when he sent funds from his account to a cryptocurrency investment scam.

What happened

The details of this complaint are well known to both parties, so I will not repeat them again here. The facts are not in dispute so I will focus on giving the reasons for my 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 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 February 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;
- 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 does including in relation to card payments);
- 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.

While I think Revolut ought to have recognised that Mr G was at heightened risk of financial harm from fraud when making these payments, I don't think any proportionate intervention by Revolut would have prevented his loss. I'll explain why.

Mr G had a phone call with his bank when he was trying to move his money to the Revolut account for this scam. I've listened to this call and it's a good intervention call. Despite Mr G incorrectly telling the advisor he is paying the funds for a wedding, the advisor still goes on to

warn Mr G about the common features of cryptocurrency investments scams. This is all the information I'd have expected Revolut to have shared with him, but despite the relevance to his situation, he doesn't stop the transfer.

The bank advisor asks Mr G relevant questions about what was going on, such as whether he was asked to move the funds by someone and/or if he'd been asked to lie about the reason he was making the payment. Mr G says "no" to these. The advisor also directly tells him that if he's been told to borrow money to invest it will be a scam – which Mr G had. But he went ahead anyway. So I therefore can't see how Revolut asking him similar questions on in-app chat or giving him the same kind of warnings would've made any difference.

Mr G paid funds to a genuine cryptocurrency firm to invest with the scammer, so I don't consider there were any ways Revolut could've recovered his funds, as he received the service paid for. The funds were then lost from the platform.

While I accept Mr G has been the victim of a cruel scam, I don't consider Revolut could've prevented his losses, so I don't direct it to do anything in this case.

My final decision

For the reasons set out above, I don't uphold Mr G's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 8 January 2025.

Amy Osborne
Ombudsman