

## The complaint

Mr Z is complaining that Revolut Ltd didn't do enough to prevent him from making payments to a scam.

The complaint is brought on Mr Z's behalf by a professional representative, but I'll mostly refer to Mr Z here.

## What happened

Both parties are familiar with the circumstances of the scam so I won't go into detail here.

In short, in May 2023 Mr Z fell victim to a cryptocurrency investment scam. As part of the scam he opened an account with Revolut, and over May 2023 and June 2023 he made the following payments to the scam:

Date of transaction	Type of payment	Payment destination	Amount
13 May 2023	Debit card payment	Cryptocurrency provider	£100
3 June 2023	Debit card payment	Cryptocurrency provider	£100
7 June 2023	Debit card payment	Cryptocurrency provider	£562
11 June 2023	Debit card payment	Cryptocurrency provider	£1,505
21 June 2023	Debit card payment	Cryptocurrency provider	£1,000
22 June 2023	Debit card payment	Cryptocurrency provider	£1,280

Mr Z says he realised he'd been scammed shortly after making the last payment, but didn't report the scam to Revolut at the time. In February 2024 he raised a complaint with Revolut through his representative.

Revolut didn't think it had done anything wrong in not intervening in the payments Mr Z made. Mr Z then referred his complaint to the Financial Ombudsman.

Our Investigator looked into what had happened. And he didn't think the payments Mr Z made to the scam would have looked suspicious to Revolut, so he didn't think it needed to

intervene in the payments. Mr Z didn't agree, so his complaint has 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.

I'm sorry to disappoint Mr Z, but I'm not upholding his complaint - for much the same reasons as the Investigator. I'll explain why.

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 May 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.

But I've also kept in mind that EMI's such as Revolut process high volumes of transactions each day. There is a balance for them to find between allowing customers to be able to use their account and questioning transactions to confirm they're legitimate.

In this case, Mr Z's account was opened as a result of the scam, so Revolut had no account history with which to compare any transactions Mr Z was making. This means Revolut would have been relying on generic indicators of fraud risk when the scam payments were made, as it wouldn't have known what might be normal for Mr Z's account at that time.

I have reviewed the payments Mr Z made to the scam. And having considered when they were made, their value and who they were made to, I'm not persuaded Revolut ought to have found any of the payments suspicious, such that it ought to have made enquires of Mr Z before processing them.

While I understand the value of the payments was significant to Mr Z, they were simply not of a value where I'd expect Revolut to be concerned about him being at risk of financial harm from a scam. The disputed payments were made over a five-week period, and didn't escalate in frequency or value, in the way that can sometimes indicate a scam may be taking place.

I've taken into account that the payments were made to a cryptocurrency exchange, and at the time the payments were made I'd expect Revolut to have been aware of the increased risk to its customers of multistage fraud, often including payments to cryptocurrency. But that doesn't mean payments to cryptocurrency should automatically be treated as suspicious, particularly when there are no other concerning factors about the payments, as is the case here – people can, and do, invest legitimately in cryptocurrency.

Taking all the circumstances into account, I don't think it was unreasonable for Revolut not to view the payments as suspicious, such that it should have carried out any additional checks or given Mr Z a warning before processing the payments. So, I don't think Revolut ought to have done any more to prevent the scam payments Mr Z made.

It's possible to dispute a debit card payment through a process called chargeback, which can sometimes be attempted if something has gone wrong with a debit card purchase, subject to the relevant card scheme's rules.

But there are time limits in place for making a chargeback claim, and I can see that Revolut wasn't aware Mr Z was disputing the transactions until after the time limit for submitting chargebacks had passed. So, I don't think Revolut could reasonably have done anything more to recover his funds once it was aware he'd been scammed.

I'm sorry to disappoint Mr Z. I can understand why he'd think that payments he made to a scam should be refunded. But because I don't think Revolut ought to have done anything more to prevent the payments being made, it wouldn't be fair or reasonable to ask it to refund them.

### **My final decision**

My final decision is that I'm not upholding this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr Z to accept or reject my decision before 25 April 2025.

Helen Sutcliffe  
**Ombudsman**