

## **The complaint**

Mrs N complains that Revolut Ltd didn't do enough to protect her when she fell victim to an 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 March 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.

Revolut recognised that Mrs N was at heightened risk of financial harm from fraud when making a £1,515 payment on 7 June 2023 and displayed a tailored warning to her relating to common features of investment scams. But despite seeing this and a number of features in the warning being relevant to her situation, she went ahead with the payment. The warning advised Mrs N to do research which it doesn't seem she did, as this would've shown the scam merchant wasn't regulated with the FCA – as the warning said they should be. They in fact had a concerning FCA warning about them, which Mrs N would've found if she'd looked on the FCA website.

I do consider that Revolut ought to have intervened again on a later transfer Mrs N made on 5 July 2023, as this was a larger payment again to cryptocurrency. But I don't think any proportionate intervention by Revolut would have prevented her loss. Revolut ought to have displayed a cryptocurrency investment warning to Mrs N at this time, but the warning would've contained the same key information as the previous warning she had seen.

Considering Mrs N continued to go ahead with the payment in June 2023 and seemingly didn't act on the warning given at that time, I'm not persuaded she'd have acted any differently in July 2023 had Revolut warned her again. I don't agree the situation here warranted a human intervention, as her representative has suggested, so I can't see that Revolut acting proportionately to the risk put it in a position to prevent Mrs N's losses.

I'm also in agreement with our investigator that there weren't any prospects of success for Revolut to recover the funds in this case, as all the payments went to genuine cryptocurrency merchants. The losses occurred from those accounts after Mrs N received what she paid for and moved the cryptocurrency onto the scammer. So I'm not directing Revolut to do anything in this case.

### **My final decision**

For the reasons set out above, I don't uphold Mrs N's complaint.

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

Amy Osborne  
**Ombudsman**