

## **The complaint**

Mr B complains about Revolut Ltd.

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

## **What happened**

Mr B came across an investment opportunity linked to a well-known UK celebrity. He registered his interest and received a phone call regarding the investment and what it could do for him.

He asked for some documentation, which was provided to him, and used an AI-enabled platform which analyses reviews for certain websites which said that most of the reviews were positive.

Mr B was persuaded to invest and made payments of £4,154, £3,500 and £3,000 to a cryptocurrency exchange, 'B', and received a return of £51.64, but unfortunately, Mr B had fallen victim to a scam.

The scam was uncovered when Revolut blocked a payment of £5,555, where it intervened in what Mr B was doing, and explained it thought he was being scammed.

Mr B made a complaint to Revolut, and said it hadn't done enough to protect him, but it didn't uphold his complaint.

He then brought his complaint to this Service.

Our Investigator looked into things, and initially thought that the complaint shouldn't be upheld – but after reviewing things, said that Revolut should have intervened from the first payment. However, they also said that Mr B and Revolut should share responsibility for the loss on a 50% basis as Mr B wasn't as careful as he should have been before making the payments.

Mr B accepted this, but Revolut did not. In summary, it said that customers often use Revolut to make crypto payments, and that it was merely an intermediate link where the funds went from one account to Revolut, and then on to the crypto exchange which was the true source of the loss.

As no agreement was reached, the complaint has been passed to me to make 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.

Having done so, I've decided to uphold this complaint in part, for broadly the same reasons

as our Investigator.

It isn't in dispute here that Mr B has been the victim of a scam and has lost money as a result. However, even when it is clear that a scam has taken place, and an individual has been tricked out of their money, it doesn't necessarily follow that a business will need to refund the money that has been lost.

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 having 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;
- 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 Mr B when he authorised payments from his account or whether it could and should have done more before processing them.

Looking at the payments Mr B made, I think that Revolut should have had concerns about what Mr B was doing when he made the first payment. I understand that the account was newly opened, and so Revolut didn't know what the 'usual' pattern of spending would be for Mr B – and although many people do use Revolut to invest in crypto when there is no scam involved – however, Revolut should also be aware of the common tactics used by scammers to utilise its accounts to fund crypto scams.

The amount was relatively high, and identifiably going to a crypto exchange, which Revolut knows carries a higher level of risk – so I would have expected it to get in touch with Mr B at this point and provide him with a tailored warning about crypto investment scams, but it didn't do so until Mr B attempted to make a payment for £5,555 on 5 May 2023, at which point it identified that this was very likely linked to a scam. And I think that if it had done so when Mr B made his initial payment it would have been able to do so then too, and I think it missed an opportunity to uncover the scam from the initial payment.

I do need to consider if Mr B should bear some responsibility for what happened – and I agree that this should be split equally between Mr B and Revolut. Mr B has already accepted this, so I won't go into too much detail, but I don't think that he was as careful as he should have been before deciding to part with his money. I understand that he did undertake some due diligence into what he was doing – but I don't think he went far enough. Fake celebrity

endorsements linked to the celebrity he thought was promoting the investment are widely publicised, including on the celebrity's own website, and are very easy to find with a quick internet search – and only a few days after Mr B made his initial payment, a warning was placed on the Financial Conduct Authority (FCA) website about the business.

### **Putting things right**

Revolut Ltd should refund Mr B 50% of the payments he made as part of the scam, minus the £51.64 he received in return. It should also pay Mr B 8% simple interest from the date the payments were made until settlement (less any lawfully deductible tax).

### **My final decision**

I uphold this complaint in part, Revolut Ltd should put things right as set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 26 March 2025.

Claire Pugh  
**Ombudsman**