

The complaint

Ms H complains about Revolut Ltd.

She says that Revolut didn't do enough to protect her when she fell victim to a scam, and would like it to refund her the money she has lost.

What happened

Ms H came across and advert for cryptocurrency investment on social media supposedly endorsed by a well-known celebrity who is known for money matters. Ms H submitted her details and was contacted by someone working for the company who explained how things would work.

Ms H didn't do any research into what she was doing, but thought that the individual sounded knowledgeable and professional, and so took them at their word.

She was told to download AnyDesk, and to use her account with Revolut to facilitate payments into the investment. She also created an account on the 'platform' to view her investment. Ms H has disputed the following payments.

- 12 April 2023 £8,500
- 14 April 2023 £14,000
- 17 April 2023 £19,250
- 18 April 2023 £20,000
- 19 April 2023 £13,401

Unfortunately, Ms H had fallen victim to a scam which she realised when she tried to make a withdrawal.

Ms H complained about what had happened to Revolut, but it didn't uphold her complaint, so she brought it to this Service.

Our Investigator looked into things and thought that Revolut hadn't done enough to protect Ms H, but also that Ms H should bear some responsibility for what had happened. They said that Revolut should refund Ms H 50% of the payments.

Ms H accepted this, but Revolut did not. It asked for a final decision, so the complaint has been passed to me.

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 Ms H 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 April 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 Ms H when she authorised payments from her account or whether it could and should have done more before processing them.

Looking at the payments Ms H made, I think that Revolut should have had concerns about what was going on from the first payment Ms H made. The account was newly opened and had very little activity on it prior to this payment, which was for a large amount.

Revolut has shown that it provided Ms H a generic warning about the payment, and then asked her a few questions about the payment, which she responded to, and then Ms H selected to be taken to the in app chat and speak with a staff member.

During this chat, Revolut asked what the payment was for – and Ms H explained that she was buying crypto. Revolut told her to check the legitimacy of the seller, and if anyone had told her to select 'Goods and Services' as the reason for the payment. Ms H explained that she hadn't been told to do this. The payment was then released without any further questioning.

I don't think Revolut went far enough here – it is clear that Ms H was being honest about what was going on, and divulged that she was purchasing crypto – but Revolut didn't do anything to question her about how she came across the investment or highlight any of the common features of a crypto scam, several of which would have applied to Ms H's circumstances. And had Revolut done so, I think that the scam would have been uncovered and Ms H wouldn't have lost her money.

So, I think Revolut missed an opportunity to prevent the scam from the first payment.

In reaching my decision about what is fair and reasonable, I have taken into account that Revolut was neither the initial source of the funds, or the ultimate point of loss. And I am aware that Ms H moved her money from her account with N to Revolut before it was then sent on to the scammer. However, I don't think there is any point of law or principle that says that a complaint should only be considered against either the firm that is the origin of the funds or the point of loss.

I've also considered that Ms H has only complained against Revolut. I accept that it's *possible* that other firms might also have missed the opportunity to intervene or failed to act fairly and reasonably in some other way, and Ms H could instead, or in addition, have sought to complain against those firms. But Ms H has not chosen to do that and ultimately, I cannot compel her to. In those circumstances, I can only make an award against Revolut.

Ultimately, I must consider the complaint that has been referred to me (not those which haven't been or couldn't be referred to me) and for the reasons I have set out above, I am satisfied that it would be fair to hold Revolut responsible for Ms H's loss (subject to a deduction for Mr P's own contribution).

I do have to consider if Ms H should also bear some responsibility for what happened here – and like our Investigator, I think that responsibility for the loss should be shared between Ms H and Revolut on a 50% basis. Ms H has already accepted what our Investigator has said, so I will keep things brief – but I don't think that Ms H was as careful as she should have been before parting with her money. Ms H didn't conduct any research into what she was doing before parting with a significant amount of money – I would have expected her to do some checks, including searching online about what she had found – where there is ample information to indicate that this was actually a scam. Ms H also had doubts after making the initial payment – but was pressured into making more payments, which I think should have been a red flag to Ms H and was a clear indication that the company was not a reputable one.

Putting things right

Revolut Ltd should refund Ms H 50% of all payments. On top of this, it should also pay Ms H 8% simple interest (less any lawfully deductible tax) from the date of the payments until settlement.

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 Ms H to accept or reject my decision before 8 May 2025.

Claire Pugh
Ombudsman