

The complaint

Miss H complains about Revolut Ltd.

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

What happened

Miss H saw an advert for investing in cryptocurrency on social media. Having heard about this previously, and intrigued by the opportunity, she registered her details. After speaking with the company involved, she made a payment of £250 from her account with H, another bank. Soon after, she received an email thanking her for 'investing in her education' – and then shortly after received a call from another individual who explained that the company she had made the payment to make referrals to traders for those wanting to invest, and that he could help her to do this.

The individual seemed very professional and knowledgeable about crypto, and explained how they could help her invest. They provided Miss H with access to a very professional website, with a 24/7 chat option, and provided a link to a well-known celebrity's website (which was spoofed as the individual does not endorse crypto).

Miss H says that she also checked with some reputable review websites, which generally showed the company as being reputable – although since Miss H made her payment, the reviews are now overwhelmingly negative. Miss H then provided ID documents, was assigned an account manager and was persuaded to download AnyDesk. She then transferred funds from her account with H, and then made a payment of £3,254.61 (including fees) on 8 June 2023, to B, a crypto exchange from her account with Revolut.

Miss H discovered she had been scammed when she attempted to make a withdrawal, but this was met with resistance, and then a request for further funds. Miss H then made a complaint to Revolut, but it didn't uphold her complaint, so she brought it to this Service.

Our Investigator looked into things, and thought that the complaint should be upheld, but Revolut didn't agree, so the complaint has been passed to me to make a final 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 Miss 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 June 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 Miss H when she authorised payments from her account or whether it could and should have done more before processing them.

Miss H’s account was recently opened – so there wasn’t much activity for Revolut to compare her normal spending – however, the payment she made was quite large, and was going to a crypto exchange, which Revolut would have known. And given the risks also associated with this type of payment, I think it should have had some concerns about what was going on.

By June 2023, Revolut should already have been aware of the prevalence of crypto investment scams – and the use of multi-stage payments where money is moved to Revolut and then on to a crypto exchange, before being transferred on to the scammer. So, I think it should have got in touch with Miss H when she made the payment and asked her some questions in relation to the payment, the purpose being to uncover a potential scam, and provided a specific warning about crypto investment scams, which was the main risk associated with crypto at the time.

I haven’t seen anything to suggest that Miss H was given a cover story or told to lie about what she was doing – so I think that had Revolut provided her with such a warning, Miss H would’ve paid attention to what she was told, and not proceeded with the payment. And so I think that Revolut missed an opportunity to prevent her loss.

I do understand that Revolut has concerns that the money Miss H sent to the crypto exchange initially originated from her account with H, and that the loss itself was from Miss H’s crypto wallet. However, I can only look at complaints that have been brought to this Service, and Miss H has only brought a complaint about Revolut. I cannot compel her to bring complaints against any other business that may be at fault. I have also taken into account a conversation Miss H had with H when she moved the money to her account, but I don’t think there was anything in this conversation that could have alerted her to the potential risk she was falling victim to a scam.

In any event, Revolut had more information available to it – and knew that the payment was going to crypto, which as I have explained above carries a higher risk, which Revolut was aware of, as it should have been aware of the prevalence of multi-stage fraud.

I do need to consider if Miss H should bear some responsibility for what happened here, but taking things into account on this occasion, I am not persuaded that she should. Miss H was not an experienced investor – and found a legitimate looking advert for investment. The scammers also managed to spoof a well-known money advice website and provided her with a link to a professional and convincing website. Miss H also provided identity documents and checked reviews which seemed on the whole positive – so I can see why she was taken in by the scammer. I also understand that she was in a vulnerable position at the time which may have made her overlook the probably too good to be true profits she was promised, and instead based her decision on the misleading media coverage of the profits to be made from crypto.

Revolut was the expert here – and would have been much more familiar with the common tactics used by scammers to entice victims into parting with their money, and so was in a better position to clearly set out these warnings to Miss H. And as I think it missed an opportunity to warn Miss H about what she was doing, I think it fair that it should refund Miss H her loss in full.

Putting things right

Revolut Ltd should refund Miss H the payment she made as part of the scam. Revolut should also pay Miss H 8% simple interest from the date the payment was made until settlement (less any lawfully deductible tax).

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss H to accept or reject my decision before 1 April 2025.

Claire Pugh
Ombudsman