

The complaint

Mr W complains about Revolut Ltd.

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

What happened

Mr W was scrolling through social media when he came across an advert for investing in crypto, supposedly endorsed by a well-known UK celebrity. Intrigued by the opportunity, Mr W decided to sign up.

Shortly after, he was called by an individual who presented themselves as a financial advisor. Over time, the advisor built a rapport with Mr W and persuaded him to invest in the scam by opening an account with Revolut and making payments to two legitimate crypto exchanges – B and M.

Mr W made the following payments.

Date	Payee	Payment type	Amount
25 November 2022	B	Card	£1,000
25 November 2022	B	Card	£1,000
25 November 2022	B	Card	£1,000
25 November 2022	B	Card	£1,000
25 November 2022	M	Card	£4,995
30 November 2022	B	Card	£5,000
30 November 2022	B	Card	£5,000
		Total	£18,995

However, when Mr W tried to make a withdrawal, this wasn't forthcoming, and then Mr W was asked to make a further payment to release the funds, and he realised he had been scammed.

Mr W then made a complaint to Revolut, but it didn't uphold his complaint, so he then brought his complaint to this Service.

Our Investigator looked into things but didn't think that the complaint should be upheld.

Mr W asked for an Ombudsman to make a final decision, so the complaint was 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 not to uphold this complaint. I know this will be disappointing for Mr W, so I'll explain.

In broad terms, the starting position at law is that banks and other payment service providers (PSP's) are expected to process payments and withdrawals that a customer authorises it to make, in accordance with the Payment Services Regulations and the terms and conditions of the customer's account. And I have taken that into account when deciding what's fair and reasonable in this case.

Mr W authorised the payments in question – so even though he was tricked into doing so and didn't intend for the money to end up in the hands of a scammer, he is presumed liable in the first instance.

But this isn't the end of the story. As a matter of good industry practice, Revolut should also have taken proactive steps to identify and help prevent transactions – particularly unusual or uncharacteristic transactions – that could involve fraud or be the result of a scam. However, there is a balance to be struck: banks had (and have) obligations to be alert to fraud and scams and to act in their customers' best interests, but they can't reasonably be involved in every transaction

Taking into account the law, regulator's rules and guidance, relevant codes of practice and what I consider having been good industry practice at the time, I consider Revolut should fairly and reasonably:

- Have been monitoring accounts and any payments made or received to counter various risks, including anti-money laundering, countering the financing of terrorism, and 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 banks 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, before processing a payment, or in some cases declined to make a payment altogether, to help protect customers from the possibility of financial harm from fraud.

In this case, I need to decide whether Revolut acted fairly and reasonably in its dealings with Mr W when he authorised payments from his account or whether it could and should have done more before processing them.

Having reviewed the payments Mr W made carefully, I'm not persuaded that Revolut needed to intervene with any of the payments Mr W made, although I do appreciate that the payments do amount to a lot of money.

Mr W's account was newly opened – so there was no information available to it to compare previous spending with the payments Mr W made to the crypto exchanges. Mr W also told Revolut when he opened the account that the account was going to be used for crypto payments, which is what happened.

So, I can't say that the payments would have appeared out of character to Revolut, and I don't think it needed to get in touch with Mr W about the payments he was making.

I am very sorry for the situation Mr W now finds himself in, I know that he has lost a lot of money as a result of this scam. However, the loss is caused by the scammer, not Revolut. And I can't ask it to refund him when I don't think it has done anything wrong.

My final decision

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 7 February 2025.

Claire Pugh
Ombudsman