

The complaint

Mr L complains that Revolut Ltd ('Revolut') won't refund the money he lost as a result of a scam.

He's being represented. To keep things simple, I'll refer to Mr L throughout this decision.

What happened

The background to this complaint is known to both parties, so I won't repeat all the details here. In summary, Mr L says:

- A relative he'd met up with told him about an opportunity to invest in cryptocurrency through an investment platform (I'll call 'T') which he later discovered was operating a scam. He was led to believe T would, at entry level, offer guaranteed returns of 2.5% daily interest on investment, increasing to 2.8% the more he invested or the more people he 'recruited' to invest with T. There was a lot of media coverage about this at the time.
- To make the scam more convincing, he was given access to T's portal which looked professional and tracked market movements as well as 'deposits' and 'trades' matching what he was being told was happening by the scammer. He was sent bulletins to keep him updated on what to do. And was given a document apparently to demonstrate T's business license registered in the United States. He was also added to a 'group chat' where other 'investors' messaged about their successes and ability to withdraw, giving the impression they were in a community and that T was backed by many people online.
- He discovered he'd been scammed shortly after T introduced a 'bonus scheme' that would allow him to double deposits within 48 hours and was then given various excuses (citing problems with the crypto-platform and the involvement of 'hackers') as to why withdrawals had been unsuccessful and the money had been lost.

Below are the payments I've considered as part of this complaint. To note, part of the money used to fund the scam was 'invested' on behalf of Mr L's wife.

	Date	Method	Payee	Amount
1	27-Sep-23	Card payment	Marcuryo	£347
2	02-Oct-23	Card payment	Moonpay OKX	£653
3	19-Nov-23	Card payment	Moonpay OKX	£7,000
	21-Nov-23	Reverted	Moonpay OKX	£3,000

A complaint was made to Revolut in December 2023 and then referred to our Service. Our Investigator considered it and didn't uphold it.

In summary, she noted that Revolut had taken steps to establish a scam risk on Payment 3 (as above) and that, although these didn't lead to warnings that were relevant to Mr L's situation, she wasn't persuaded his losses would in any event have been prevented even if Revolut had shown him a proportionate warning tailored to crypto-investment scams. This was on the basis that the more common hallmarks of such scams were not present in the

particular circumstances of this case. She also said that, while a warning about guaranteed returns might have given Mr L doubts, she didn't think this alone would have stopped his payments given the other scam aspects that made him think the opportunity was genuine.

As the matter couldn't be resolved informally it's been passed to me to decide.

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 it for the same reasons as the Investigator.

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 (the 2017 regulations) and the terms and conditions of the customer's account. It's not in dispute that Mr L authorised the payments in question, so he's presumed liable for the losses in the first instance. But that's not the end of the matter. 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 that, by September 2023, 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;
- have acted to avoid causing foreseeable harm to customers, for example by maintaining adequate systems to detect and prevent scams and by ensuring all aspects of its products, including the contractual terms, enabled it to do so;
- 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.

Prevention and causation

I don't think there was enough about the first two payments for Revolut to have intervened on suspicion of a heightened risk of fraud, given also their relatively low values. But I think there was enough about the next two payments, looking at the amounts and what Revolut would have known about their destination, for Revolut to have taken additional steps, such as asking a series of questions through an automated warning, in an attempt to narrow down a possible scam risk. And given Mr L was falling victim to a cryptocurrency investment scam, I'm satisfied a warning highlighting some of the key aspects of such scams would have been an appropriate response here without imposing a level of friction disproportionate to the payment risk presented. In reaching this view, I'm also mindful that many crypto-payments will be legitimate and that this account had been infrequently used, so Revolut would have had limited information on which to assess a payment risk.

As referred to by the Investigator, Revolut did take some steps on Payment 3 to establish a possible scam risk so it could then provide a warning tailored to the risk identified. It has said the payment was only processed after Mr L was asked for a 'payment purpose' and was shown a warning relevant to the 'payment purpose' he'd selected. I note Mr L selected *'transferring money to another account'* despite the option *'as part of an investment'* being available and that this didn't then lead naturally to a warning tailored to cryptocurrency investment scams. I also note Mr L's comments that the questions could have been interpreted in different ways, that he was nevertheless honest in his answers, and the fact the automated warning didn't resonate illustrates its ineffectiveness. But, even if Revolut's intervention ought to have gone further than it did in narrowing down a possible scam risk, I'm not convinced a proportionate automated warning, otherwise tailored to cryptocurrency investment scams, would have been enough in preventing Mr L's losses.

This is because several key aspects of cryptocurrency investment scams, more commonly affecting many customers at the time, were not present in the circumstances surrounding Mr L's payments. He wasn't, for example, told to download remote access software. He wasn't being guided by 'a broker'. He hadn't been contacted unexpectedly by someone he didn't know or found the opportunity online. He's told us he was introduced to it by a relative who'd shown him he'd been using T's platform to generate returns and had been able to make withdrawals over the course of at least one month. And while I don't rule out the possibility that a warning on unrealistic returns might have led to doubts and stopped Mr L from making more payments, I'm not persuaded that's the more likely scenario here bearing in mind the above and the other scam aspects Mr L has himself described as convincing – including the use of a professional-looking platform, and the involvement of a number of other 'investors' who'd messaged about their successes.

Recovery

In terms of recovery, all the disputed transactions were card payments to genuine crypto-platforms and it's unlikely a chargeback claim would have had any prospect of success given there's no dispute that the cryptocurrency was provided by those merchants as intended before it was then sent and lost to the scam.

This isn't a decision I've made lightly. I'm sorry Mr L was the victim of a cruel scam and about the impact the whole experience has had on him. But I can only direct Revolut to refund the losses if I'm satisfied any failings on its part made a material difference to what happened. In the circumstances, and on balance, I'm not persuaded that they did.

My final decision

For the reasons I've given, I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 5 May 2025.

Thomas Cardia
Ombudsman