

## **The complaint**

Ms E complains that Revolut Ltd won't refund money she lost when she fell victim to an investment scam.

Ms E is being represented by a claims management company this complaint.

## **What happened**

The detailed background to this complaint is well-known to the parties and has been previously set out by our investigator.

Briefly, Ms E fell victim to a cryptocurrency investment scam in the spring of 2023. In April 2023, she was tricked into parting with just over £20,000 in connection to what she thought was an investment opportunity. But it turned out to be a scam. Ms E states that in the months leading up the disputed transactions, she had invested a small amount with the same scam firm. The scammer persuaded her to invest again.

To make the deposits in 2023, Ms E's 'account manager' instructed her to open an e-money account with Revolut. She transferred money from her account with another business to Revolut. She exchanged £1,000 into cryptocurrency through Revolut before sending it to a cryptocurrency wallet as instructed by the scammer. The remaining money was sent electronically, in Euros, also to an account as per the scammer's instructions.

Ms E realised she'd been scammed when she subsequently requested a withdrawal and was told she needed to pay a withdrawal fee. When she said she couldn't and questioned why the fee couldn't be taken off her investment, the scammer stopped contact.

## **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.

I'd like to start by thanking Ms E for the information she's shared with our service about her state of mind when the scam happened. While there's no doubt that this was a difficult period, I can only ask Revolut to reimburse Ms E if I find that any wrongdoing on its part caused her loss.

In their assessment, the investigator concluded that our service could consider all the transfers in question – including the money Ms E exchanged into cryptocurrency (which was then sent on). Revolut hasn't disputed the investigator's finding, so I've proceeded on that basis.

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.

It isn't in dispute that Ms E authorised the transactions in question. She's therefore presumed liable for the loss in the first instance.

But, taking into account relevant law, regulators rules and guidance, relevant codes of practice and what I consider good industry practice at the time, Revolut ought to have been on the look-out for the possibility of fraud and made additional checks before processing payments in some circumstances.

Although the first disputed transaction was identifiably cryptocurrency related, I haven't seen any other factors at play here such that, in my view, Revolut should have been concerned and ought to have taken additional steps when Ms E authorised it.

Revolut did find the second transaction suspicious, and it paused it to make further enquiries. After notifying Ms E that the transaction could be scam related, Revolut asked her to confirm the purpose of the payment from a list of options. According to its system records, *cryptocurrency* was selected. Having identified the specific risk, Revolut provided Ms E a scam warning over a series of screens which couldn't be skipped. This included warning her that no one besides her had access to the destination account if she was moving funds to her own account, and to research if what she was investing in was a legitimate company or cryptocurrency. Revolut also warned Ms E that if someone had asked her to download any software, this could be a scam. Ms E chose to proceed with the payment, and it was released.

Ms E's representative has argued that Revolut should have done more than just provide an automated scam warning. If it had, the representative argues that Ms E wouldn't have gone ahead with the payment. I recognise that the representative feels very strongly about the sort of intervention that should have happened. But having considered when the payment was made and its value, I'm satisfied that the steps Revolut took were appropriate.

I accept that the warning Revolut provided could have included more typical features of cryptocurrency investment scams – it's easy to be critical with the benefit of hindsight. But I think the information it did provide was sufficient and it ought to have resonated with Ms E given they applied to her circumstances. For instance, she had installed a remote access software – the same one that was mentioned in Revolut's warning – under the instructions of the scammer. She was also advised to research the investment and check that it was legitimate. It doesn't appear that she did this, as the Financial Conduct Authority had published a scam warning about the firm in question.

Unfortunately, Ms E decided to continue with the payment. In the circumstances, I don't think Revolut could have done anything more to prevent her losses.

Ms E has undoubtedly been the victim of a cruel and manipulative scam. I'm sorry to hear about the devastating impact this incident has had on her. But, for the reasons given, it wouldn't be fair of me to hold Revolut responsible for her loss.

### **My final decision**

For the reasons given, my final decision is that I don't uphold this complaint.

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

Gagandeep Singh  
**Ombudsman**

