

## The complaint

Miss R complains that Revolut Limited (“Revolut”) won’t refund the money she lost when she fell victim to a cryptocurrency investment scam.

## What happened

The key facts of this case are well known to both parties, so I’ll only summarise the key points again here:

Miss R was introduced to what she believed was a legitimate cryptocurrency investment scheme by a family friend. However, the company, who I will refer to as “H”, were actually operating as a scam.

As part of the scam, Miss R was told she’d need register for an account on H’s platform and fund her investment account at H from her cryptocurrency account, which she was told she’d need to open as part of the scam.

Between December 2021 and March 2022, Miss R sent £9,800 from her Revolut account to what she thought was her investment account at H. Miss R was told these funds would be used to invest in cryptocurrency and generate daily profits.

After seeing her profits increase on the fake investment platform, Miss R asked to withdraw some of her funds. It was at this point that Miss R’s account at H disappeared and the scammer stopped responding to her requests. Miss R then realised she had been the victim of a scam.

I’ve detailed all of the payments Miss R made as a result of the scam in the table below. All of the payments were made from Miss R’s Revolut account to her own wallet at a genuine cryptocurrency provider and then on to the scammers:

Payment number	Date	Payee	Payment type	Amount
1	31/12/2021	Cryptocurrency exchange	Faster payment	£100
2	31/12/2021	Cryptocurrency exchange	Faster payment	£4,900
3	2/01/2022	Cryptocurrency exchange	Faster payment	£2,000
4	4/01/2022	Cryptocurrency exchange	Faster payment	£2,000
5	4/01/2022	Cryptocurrency exchange	Faster payment	£160
6	11/03/2022	Cryptocurrency exchange	Faster payment	£640

On 17 October 2023, Miss R sent a formal complaint to Revolut via a professional representative but Revolut declined to offer Miss R a refund of the amount lost.

Unhappy with Revolut's response, Miss R brought a complaint to this service. She said Revolut failed to provide effective scam warnings or intervene when there was unusual activity on her account.

One of our investigators looked into Miss R's complaint but they didn't recommend that it be upheld. They agreed that Revolut should have recognised that the second payment of £4,900 was unusual and out of character and that it would have been reasonable for Revolut to have provided a written warning that broadly covered general scam risks. But the investigator wasn't persuaded that doing so would have broken the spell Miss R was under or that this would've prevented the success of the scam. They said that at the time Miss R would've been presented with such a warning, she had been presented with convincing product literature for the supposed investment scheme and was acting on the basis of a recommendation from a close family friend who had confirmed that the investment was successful and lucrative. So, the investigator thought it was unlikely that any proportionate intervention or scam warning would've made a difference.

In terms of recovery, the investigator noted that there was no prospect of success as Miss R received a service from the cryptocurrency provider her funds went to – the funds requested had been provided and sent on.

Miss R didn't agree with the investigator's findings and as an agreement could not be reached the case has been passed to me for 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.

In deciding what's fair and reasonable, I am required to take into account relevant law and regulations, regulators' rules, guidance and standards, and codes of practice; and, where appropriate, I must also take into account what I consider to have been good industry practice at the time.

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 that's not the end of the story.

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 in December 2021 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.

*Should Revolut have recognised that Miss R was at risk of financial harm from fraud?*

It isn't in dispute that Miss R has fallen victim to a cruel scam, nor that she authorised the payments she made via bank transfer to her account held with a cryptocurrency provider (from where that cryptocurrency was subsequently transferred to an account in control of the scammer). Miss R's Revolut account had been open, and was being used by Miss R, for some time prior to the scam payments leaving the account. So, I have considered whether the transactions Miss R made as part of the scam should've stood out to Revolut as suspicious enough to have warranted intervention.

Having done so, I'm not persuaded that the initial transaction should have stood out to Revolut as particularly concerning. It was modest in value and in line with her usual spending on the account. And so, I don't think Revolut acted unreasonably in processing this transaction without taking any additional steps first.

However, by the time Miss R made the second payment on 31 December 2021, I think the activity on the account had started to look somewhat concerning. Miss R had already made one payment to the same account just minutes before. She was now requesting a significantly higher value payment bringing her total outlay to £5,000 over a two-minute period.

Taking these factors into account, as well as what Revolut knew about the destination of the payments, I'm satisfied that when Miss R attempted to make the second significantly larger cryptocurrency related payment within minutes of the other payment, Revolut should have considered that Miss R could be at heightened risk of financial harm from fraud. In line with good industry practice at the time, Revolut should therefore have provided a warning before it allowed the payment to be processed.

*What did Revolut do to warn Miss R?*

Revolut has told us it provided a warning to Miss R which detailed the risks of making such a payment to a new payee from her Revolut account.

*What kind of warning should Revolut have provided?*

In this case, I'm satisfied Revolut should've gone a step further than it did. Having thought carefully about the risk payment two presented, I think a proportionate response to that risk would have been for Revolut to have provided a written warning that broadly covered general scam risks at the time. This warning should've set out that Miss R may lose her money if she continued with the payment, that she should be aware of scams and that Revolut would not contact her to move money.

I'm not satisfied that Revolut needed to go further at this stage and I don't consider Revolut ought reasonably to have asked Miss R questions to narrow down the scam she might be falling victim to. So, whilst I agree that Revolut should keep up to date with fraud trends, I don't think that in December 2021, when cryptocurrency scams were less prevalent than they are now, this meant doing more than providing a general written scam warning when it identified a potentially suspicious transaction being made to a cryptocurrency platform.

*If Revolut had provided a warning of the type described, would that have prevented the loss from this point onwards?*

Like the investigator, I'm not satisfied that a general written scam warning would have resonated with Miss R or led her to act differently. At the time of making these payments, Miss R had been recommended this investment by a close family friend who had said she was making significant profits. Miss R had also been presented with convincing product literature. And so, I'm not persuaded that a written warning of the type described above would've broken the spell Miss R was under. It wouldn't have been specific to her circumstances and based on the evidence I've seen; Mr R seems to have believed, based on her research at the time, that the investment she was entering was legitimate. I don't think a general warning of the type described above would've made her think otherwise and so, I'm not persuaded that any proportionate intervention by Revolut in December 2021 would've made a difference here or that it would have resonated so much with Miss R that she wouldn't have continued with the payments under discussion here, or the payments that followed.

For the reasons explained by the investigator, I also don't think Revolut could have done more to recover Miss R's funds. Miss R's payments went to a cryptocurrency provider which provided the expected service. The converted funds were then sent on to accounts in the scammers control and were more than likely gone by the time Miss R reported being the victim of a scam over a year later.

So, whilst I recognise Miss R has fallen victim to a cruel scam and I'm really very sorry to hear about what's happened to her, I can't fairly ask Revolut to reimburse her loss now. The fault here lies with the actions of the fraudsters themselves.

### **My final decision**

For the reasons stated above, I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss R to accept or reject my decision before 14 July 2025.

Emly Hanley Hayes  
**Ombudsman**