

## The complaint

Miss B complains that Revolut Ltd (Revolut) is refusing to refund her the amount she lost as the result of a scam.

Miss B has previously been represented by a third party. To keep things simple, I will refer to Miss B throughout my decision.

## What happened

The background of this complaint is well known to all parties, so I won't repeat what happened in detail.

In summary, Miss B has told us that she had received some funds that she wanted to invest on the hope of saving enough for a deposit on a new home.

While looking online on social media Miss B came across the personal page of an individual, I will call X. X often posted about her trading account and appeared to be very successful investing in cryptocurrency.

After following X for a while Miss B received a message from X. X offered to trade on Miss B's behalf and was able to show screen shots of her trading account seemingly showing profits being made over a long period of time.

X advised Miss B to open an account with Revolut for the purpose of the investment as the account would offer the easiest way to trade in crypto.

Miss B made an initial payment of £500 into the investment and could see she had made a profit of over £2,300. However, she was advised that as she had a new account, she would have to pay £2,100 first to increase her withdrawal limit. Miss B was told she would be able to withdraw her profits and the payment she had made later.

Following this X requested further and further payments from Miss B that were required before she could make a withdrawal and she complied with the requests.

After making several payments Miss B realised, she had fallen victim to a scam and refused to make anymore.

Miss B made the following payments in relation to the scam:

<u>Date</u>	<u>Payee</u>	<u>Amount</u>
11 February 2023	Exchanged to BTC	£500
11 February 2023	Exchanged to BTC	£2,100
12 February 2023	Exchanged to BTC	£1,000
13 February 2023	Exchanged to BTC	£1,983
13 February 2023	Exchanged to BTC	£17

13 February 2023	Exchanged to BTC	£40
13 February 2023	Exchanged to BTC	£20
14 February 2023	Exchanged to BTC	£1,999
15 February 2023	Exchanged to BTC	£1,554
15 February 2023	Exchanged to BTC	£500
16 February 2023	Exchanged to BTC	£500
16 February 2023	Exchanged to BTC	£30

Our Investigator considered Miss B's complaint and didn't think it should be upheld. Miss B disagreed, so this complaint has 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.

Though our service cannot look at the payments made in cryptocurrency in isolation as they are not a regulated activity, we can look at the broader context of the complaint including the deposit of funds into the account and their subsequent exchange from fiat currency into cryptocurrency, namely that listed above.

As the depositing of the funds is a regulated activity, and the use of the account to exchange them into cryptocurrency I would consider ancillary to a regulated activity, our service can consider whether in the process of handling these activities there was any obvious sign or indication of fraud or financial harm, whether Revolut ought to have detected it, and whether their failure to do so is to blame for the loss.

Given the broad nature of this complaint, I'm satisfied it is one our service can consider.

Revolut has a duty to exercise reasonable skill and care, pay due regard to the interest of its customers and to follow good industry practice to keep customers' accounts safe, looking out for activity which might indicate the consumer is at risk of financial harm.

With this in mind, I need to decide whether Revolut acted fairly and reasonably in its dealings with Miss B and whether in allowing these deposits and exchanges to take place Revolut has missed a clear and obvious sign of financial harm. And ultimately whether it has failed to act where it should have and can be blamed for the loss.

Having considered the activity outlined above I would not consider that it was indicative of financial harm or represented a clear and obvious sign of a scam which has been unduly missed by Revolut.

I don't think there is anything to suggest that the deposits were unusual, suspicious or carried signs of a scam and I believe they came from Miss B's own account with another payment service provider.

Our service would not generally expect interventions or additional checks/discussions with a customer to be carried out by a receiving bank when a customer is depositing money from their own account, unless the receiving bank had money-laundering concerns which wasn't the case here. So, overall, I don't think Revolut needed to be concerned with the incoming payments or take any action in response to them. I don't think these deposits themselves were unusual or suspicious.

Turning to the exchange from fiat currency to cryptocurrency. The payments Miss B made were made over a number of days and were not of a significantly high value that I would have expected them to have triggered Revolut's fraud prevention systems. As the payments didn't carry obvious signs of a scam or serious risk of financial harm to Miss B I don't think Revolut needed to take any action in response to these exchange requests.

As Revolut has not failed to spot a clear and obvious sign of a scam in respect of these deposits and subsequent exchanges, I can't agree that the subsequent loss which has occurred can be blamed on Revolut's failure to respond to the earlier activity on the account. I don't think Revolut acted unfairly in allowing the deposits and exchanges to take place without intervention.

**My final decision**

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss B to accept or reject my decision before 6 December 2024.

Terry Woodham  
**Ombudsman**