

The complaint

Mr F complains that Revolut Ltd (Revolut) is refusing to refund him the amount he lost as the result of a scam.

Mr F is being represented by a third party. To keep things simple, I will refer to Mr F 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, Mr F has told us that he met someone online via social media who introduced him to an investment business I will call "X".

Mr F was required to download remote access software and started investing with relatively small amounts but was persuaded to invest more to get higher returns. However, when he tried to make a withdrawal from the investment, he was told he would have to make a further large payment first.

Mr F could not afford to make the payment, so X tried to persuade him to borrow the funds. At this point Mr F realised he had fallen victim to a scam.

Mr F has disputed the following payments made in relation to the scam:

Payment	Date	Payee	Payment Method	Amount
1	22 March 2024		Crypto Withdrawal	0.180000000 ETH
2	25 March 2024		Crypto Withdrawal	0.146666366 ETH
3	27 March 2024	Individual 1	Transfer	€2,305
4	11 April 2024	Individual 2	Transfer	€5,000
5	11 April 2024	Individual 3	Transfer	€4,227

Our Investigator considered Mr F's complaint and didn't think it should be upheld. Mr F 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.

It has not been disputed that Mr F has fallen victim to a cruel scam. The evidence provided by both Mr F and Revolut sets out what happened. What is in dispute is whether Revolut should refund the money Mr F lost due to the scam.

What I can and can't look into in relation to this complaint

Our service can't consider all complaints that are referred to us. The rules under which we operate are set out in the Financial Conduct Authority's Handbook and are collectively known as the DISP rules. We can only consider complaints that fall within our jurisdiction, in line with these rules.

Particularly relevant to Mr F's complaint is DISP 2.2 which states:

"DISP 2.2: Which complaints can be dealt with under the Financial Ombudsman Service?

2.2.1 The scope of the Financial Ombudsman Service's two jurisdictions depends on:

(1) the type of activity to which the complaint relates..."

Those activities are then listed in DISP 2.3 (although I will not list all of them here). We can only consider complaints that relate to an act or omission by a financial business in carrying out one or more of the activities listed in DISP 2.3.

Cryptocurrency isn't electronic money or fiat currency according to the Financial Conduct Authority. Instead, it classifies cryptocurrency, and similar cryptocurrency-assets, as 'exchange tokens'. The operation of cryptocurrency services isn't currently regulated by the financial regulator in the UK.

There are no activities listed in DISP 2.3 which would cover the activity this part of Mr F's complaint relates to – namely, withdrawing the cryptocurrency and sending it on to the scammer. And so, I don't think his complaint in relation to the cryptocurrency withdrawals relate to an activity covered by us.

I am mindful that Mr F deposited fiat currency to his Revolut account and then exchanged this into the cryptocurrency which was withdrawn and ultimately lost to the scam. But the sending of the cryptocurrency was provided separately from the provision of Mr F's main e-money account. In the circumstances, I don't consider Revolut's provision of sending cryptocurrency services to be sufficiently closely linked to its provision of payment services to Mr F (through the provision of his e-money account) that it should be deemed ancillary to this. So, I'm satisfied that this service is unable to investigate the withdrawal of cryptocurrency here.

What I can look at, is whether Revolut should have intervened when the deposits into Mr F's account were made and when the funds were converted into crypto for payment 1 and 2. I can also look at the remaining payments in their entirety, as they were normal transfers.

Recovering the payments Mr F made

Mr F made payments into the scam via transfer and the withdrawal of cryptocurrency that was then moved to the scammer.

When payments are made by transfer Revolut has limited options available to it to seek recovery. Revolut has confirmed that it contacted the operators of the receiving accounts, but no funds remained. I don't think Revolut had any other reasonable options available to it to seek recovery of the payments Mr F has disputed.

As I explained above, I am unable to look at the cryptocurrency withdrawals.

Should Revolut have reasonably prevented the payments Mr F made?

It has been accepted that Mr F authorised the payments that were made from his account with Revolut, albeit on X's instruction. So, the starting point here is that Mr F is responsible.

However, banks and other Payment Services Providers (PSPs) do have a duty to protect against the risk of financial loss due to fraud and/or to undertake due diligence on large transactions to guard against money laundering.

The question here is whether Revolut should have been aware of the scam and intervened when Mr F made payments related to the scam. And if it had intervened, would it have been able to prevent the scam taking place.

I am not persuaded that Revolut should have intervened when Mr F made payments into his Revolut account and exchanged those funds into cryptocurrency (that funded payments 1 and 2). These payments were for relatively small amounts and payments into an account generally carry less risk. I don't think that considering their value Revolut should reasonably have had concerns that Mr F may have been at risk of financial harm.

I think it could be argued that by the time Mr F made payment 5, Revolut should have intervened, as by this point Mr F had sent a significant sum of money from his account in a single day.

But Revolut did intervene when Mr F made payments 4 and 5 and during these interventions Mr F confirmed he was making the payment to "pay a family member or friend". Mr F was then presented with a questionnaire, and he confirmed:

- He understood the importance of answering the questions truthfully and if he was being scammed a fraudster may ask him to hide the reason for the payment.
- Noone was assisting him through the questionnaire
- He was paying a family member or friend for something they had purchased on his behalf
- Details for the payment had been provided to Mr F face to face.

Mr F was not honest when responding to Revolut's questions, so even if I was to say Revolut should have intervened further than it did I think it's unlikely Mr F would have provided any more honest responses. Providing incorrect information to Revolut would have made it very difficult for Revolut to uncover the scam that was taking place. So, I don't think Revolut missed an opportunity to prevent the scam, and it is not responsible for Mr F's loss.

My final decision

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr F to accept or reject my decision before 1 August 2025.

Terry Woodham
Ombudsman