

## The complaint

Mr K is unhappy that Revolut Ltd won't reimburse money he lost to a scam.

Mr K is represented by a third-party claims firm, but I will refer to Mr K here.

## What happened

The background to this complaint is well known to both parties, so I won't repeat everything here. In summary, Mr K says that in April 2024 he was tricked into sending money in connection to what he thought was an investment opportunity. But it turned out to be a scam.

Mr K said he was encouraged by the scammer to invest into a company I will refer to as "B". He has also explained that the scammer, who was in regular contact with him, gave him access to a sophisticated portal and helped him set up an account with a cryptocurrency exchange.

For some of the deposits, Mr K used his Revolut account to send money to a cryptocurrency exchange, where the funds were converted into cryptocurrency before being sent on to the scammer. He also used his Revolut account to exchange funds ('fiat' currency) into cryptocurrency, which he then withdrew and sent on to the scammer.

Mr K has provided us with a breakdown of the transactions he made in relation to the scam which I have included below:

Transaction number	Date	Type of Transaction	Amount
1	12 April 2024	Card payment to a cryptocurrency account	£100.12
2	13 April 2024	Card payment to a cryptocurrency account	£404.46
-	13 April 2024	Card payment to a cryptocurrency account – (declined)	£1,051.19
3	13 April 2024	Card payment to a cryptocurrency account	£1,100.00
4	14 April 2024	Exchanged GBP to USDT	£1,000.00
5	14 April 2024	Exchanged GBP to USDT	£2,368.26
6	14 April 2024	Exchanged GBP to USDT	£100
Total loss			£5,072.84

After realising he'd been scammed, Mr K reported the matter to Revolut. It refused to refund any of the transactions. Unhappy with this, Mr K complained to Revolut that it didn't protect him from financial harm at the time he made the transactions. The complaint was subsequently referred to our service.

In its file submission to our service, Revolut said Mr K had authorised the transactions and that the funds went to an account in his name. It also said our service didn't have jurisdiction to consider the cryptocurrency withdrawals Mr K made in relation to the scam.

Our Investigator explained that although our service couldn't consider cryptocurrency withdrawals in isolation, the process of making those withdrawals involved earlier steps, such as Revolut accepting Mr K's fiat money into the account and exchanging it into cryptocurrency. The Investigator concluded that our service could consider the merits of Mr K's complaint, at least in respect of the card payments and the exchange of fiat money into cryptocurrency.

The Investigator didn't think the payments Mr K made were unusual and so he didn't feel Revolut should have identified a scam risk. Mr K didn't agree. In summary, he said that Revolut should have been on notice that he might be falling for a cryptocurrency scam given how common they had become. He also thought that it should have provided him with a cryptocurrency warning when it stopped one of his transactions, despite him selecting a different payment purpose, and that if it had done this the scam would have been exposed.

Mr K's complaint has now been passed to me for review and a decision.

### **Preliminary matters**

Revolut hasn't responded to the Investigator in relation to matters concerning our jurisdiction. But for completeness, I agree that I can consider the complaint to in line with what the Investigator has explained.

### **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 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, 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 April 2024 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;
- 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;
- 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.

But, with that in mind, there is also a balance to be struck between identifying payments that could potentially be fraudulent and minimising disruption to legitimate payments.

So, the starting point for me is to consider whether any of Mr K's payment instructions – taken either individually or collectively - were particularly unusual or suspicious to have required intervention from Revolut.

I have reviewed Mr K's account history. Transactions 1, 2 and 3 were all relatively modest so they were unlikely to have appeared unusual to Revolut or presented an obvious scam risk in value alone. The payments were made to legitimate cryptocurrency exchanges. And while there are known fraud risks associated with cryptocurrency, as scams like this have unfortunately become more prevalent, not all payments related to cryptocurrency are scam related. This means that I wouldn't expect Revolut to intervene on a payment just because it related to cryptocurrency.

I also don't think there was anything particularly unusual about the money Mr K exchanged into cryptocurrency on Transactions 4, 5 and 6 such that I consider Revolut should have had cause for concern. I accept that Mr K was exchanging fiat currency into cryptocurrency. But as explained above, that doesn't mean that the transactions ought to have flagged as suspicious as buying cryptocurrency is a legitimate exercise.

The payments and exchanges were made over several days and weren't increasing significantly in value, so I don't think there was a pattern emerging that ought to have put Revolut on notice that Mr K may be falling victim to a scam.

Revolut did provide Mr K with a warning on one payment which was declined. It asked him if he was being guided and what the payment was for so it could provide advice on it. Mr K answered that he wasn't being prompted to make the payment. He selected he was making a "transfer to my other account" as the purpose of the payment – which, naturally, generated a scam warning for risks associated with that type of payment.

Mr K believes he should have been provided with a warning about cryptocurrency scams as he was making a payment to a known cryptocurrency exchange. I've thought carefully about the warning Revolut should have provided in connection with this payment. In view of what it knew about it, I'm satisfied an intervention involving asking about its purpose and providing an appropriate tailored warning based on the answers given was proportionate to the risk it presented. In saying this, I'm conscious the amount involved was relatively low. I don't think a human intervention, whereby a Revolut agent would have contacted Mr K via its in-app chat to discuss the circumstances of the payment, was warranted in this particular situation.

It's unfortunate that Mr K didn't confirm that he was being guided and didn't select that the payment was for an investment. If he'd answered those questions differently, it might have prompted Revolut to ask further questions or carry out a more robust intervention. But it could only act on the information it was given and, as I've explained, I think its response was proportionate and appropriate on that basis.

Based on the circumstances of the transactions (as I've explained above), I'm persuaded the actions Revolut took at the time was proportionate to the risk associated with the payments. I wouldn't have expected it to have intervened further in these circumstances and I can't say it was at fault for processing the payments in accordance with Mr K's instructions.

I understand that Mr K was experiencing some difficult circumstances at the time he fell victim to the scam and had recently lost his sister. I'm sorry to learn about this, but I can't say that Revolut was or should have been aware that he was vulnerable or made any special adjustments for him at the time the transactions were made.

*Could Revolut have done anything else to recover Mr K's money?*

The transactions from Mr K's Revolut account were to either purchase or exchange cryptocurrency, which was then sent to the fraudster (albeit he didn't know that at the time). Recovery in this instance would have been unlikely, given the cryptocurrency was already in the hands of the scammer.

Specifically for the debit card payments, it's possible to dispute a payment through a process called chargeback, which can sometimes be attempted if something has gone wrong with a debit card purchase, subject to the relevant card scheme's rules. Revolut didn't think a chargeback would have been successful in the circumstances, which I agree with. This is because Mr K received the service he'd paid for in purchasing cryptocurrency.

I have a great deal of sympathy for Mr K and the loss he's suffered. But it would only be fair for me to direct Revolut to refund his loss if I thought it was responsible for it – and I'm not persuaded that this was the case. So, while I know this will be very disappointing for Mr K, I don't find that Revolut are responsible for his loss. It follows that I will not be asking it to take any further action.

**My final decision**

For the reasons given above, my final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 7 July 2025.

Aleya Khanom  
**Ombudsman**