

The complaint

Ms L complains about Revolut Ltd.

She says that Revolut didn't do enough to protect her when she fell victim to a cryptocurrency scam.

What happened

Ms L saw an advert for investing in cryptocurrency on social media which piqued her interest as it explained that there were big profits to be made. She clicked on the link and was directed to a questionnaire for personal details.

Ms L was then contacted by phone by an individual who said that they would be their agent and help them make crypto investments. They seemed professional and helpful, and guided Ms L to open an account on their platform where she would be able to see her investments.

Ms L was persuaded to start investing. Initially, things seemed to be going well, but soon this wasn't to be the case – and she realised she had been scammed. By this point, Ms L had made the following payments to a crypto exchange 'W'.

Payment	Date	Payment type	Amount
1	03/03/2023	Debit card	£563.85
2	09/03/2023	Debit card	£4,001.94
3	09/03/2023	Debit card	£1,097.94
4	21/03/2023	Debit card	£1,699.95
5	29/03/2023	Debit card	£4,400.32
6	29/03/2023	Debit card	£4,397.91
7	29/03/2023	Debit card	£1,150.72
		Total	£17,311.94

Ms L complained to Revolut about what had happened, but it didn't uphold her complaint, so she brought it to this Service.

Our Investigator looked into things and thought that Ms L's complaint should be upheld in part, however Revolut didn't agree to this, and asked for an Ombudsman to make a final decision, so the complaint has been passed to me.

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.

Having done so, I've decided to uphold this complaint in part, for broadly the same reasons as our Investigator.

It isn't in dispute here that Ms L has been the victim of a scam and has lost money as a result. However, even when it is clear that a scam has taken place, and an individual has

been tricked out of their money, it doesn't necessarily follow that a business will need to refund the money that has been lost.

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 having been good industry practice at the time, I consider it fair and reasonable in March 2023 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;
- 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.

In this case, I need to decide whether Revolut acted fairly and reasonably in its dealings with Ms L when she authorised payments from her account or whether it could and should have done more before processing them.

I don't think that Revolut needed to be concerned about the initial payment Ms L made – it wasn't for a large amount, and while it was going to a crypto exchange, Revolut can't be involved in every transaction and not every payment to crypto is actually a scam.

However, the second payment was large – and while this was a new account, Revolut should have been aware of the higher risks associated with payment to crypto, which combined with the amount of the payment should have been a sign to Revolut that Ms L may be at risk of financial harm. So, with this in mind, I think that it should have stepped in and asked Ms L some questions about what she was doing.

I know that Revolut has said that the payments were authorised by 3DS but I don't think this would prevent Revolut from providing Ms L with a warning – and it could have declined the payment altogether and contacted Ms L to discuss the payment before allowing it to proceed.

Had Revolut done so, I would have expected it to have asked her about the purpose of the payment, to try to narrow down the risk – and as I can't see in her communications with the scammer that Ms L was told to conceal the true nature of what was going on, then I think she would have answered truthfully. I think Revolut would have recognised that Ms L was very likely being scammed, and it could then have provided her with a warning to this effect which would have likely prevented Ms L from making the payment – but it didn't do so. So, I think it missed an opportunity to intervene from this point.

In reaching my decision about what is fair and reasonable, I have taken into account that Revolut was neither the initial source of the funds, or the ultimate point of loss. And I am aware that Ms L moved money from another account to Revolut before it was then sent on to the crypto exchange and then onto the scammer. However, I don't think there is any point of law or principle that says that a complaint should only be considered against either the firm that is the origin of the funds or the point of loss.

I've also considered that Ms L has only complained against Revolut. While I understand Ms L could instead, or in addition, have sought to complain against other firms. But Ms L has not chosen to do that and ultimately, I cannot compel her to. In those circumstances, I can only make an award against Revolut. However, I can say that as part of the review of Ms L's complaint, we have reached out to the bank from which Ms L transferred her funds from to Revolut, and it has provided us with a copy of a call that took place. On listening to the call, it is clear that the bank asked appropriate questions for the risk that was apparent at the time – but it also wouldn't have been clear that Ms L was purchasing crypto – whereas Revolut would have been aware of this.

Finally, I do have to consider if Ms L should bear some responsibility for her losses – and having done so I agree with our Investigator that responsibility for the loss should be shared on a 50% basis between Ms L and Revolut from the point I think it should have intervened. I say this because I don't think that Ms L was as careful as she should have been before parting with her money – the advert was found on social media, which isn't a place to find a legitimate investment opportunity – and at the time there were negative online reviews about the supposed company.

I am also aware that Ms L took out a loan to fund part of the investment (although I accept that this was likely done in panic to try and prevent her losses when things started going wrong) – and as most lenders don't approve loans for this purpose, it is likely that she wasn't wholly truthful with the purpose of the lending – and she also didn't reveal the full story to her other bank about the reasons.

Putting things right

Revolut Ltd should refund Ms L 50 % of payments two to seven. On top of this it should also pay Ms L 8% simple interest from the dates of the payments until settlement (less any lawfully deductible tax)

My final decision

I uphold this complaint in part, Revolut Ltd should put things right as set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms L to accept or reject my decision before 29 May 2025.

Claire Pugh
Ombudsman