

The complaint

Mr C complains that Revolut Ltd didn't do enough to protect him when he fell victim to a cryptocurrency investment scam.

What happened

Mr C saw an advert for cryptocurrency trading in the news and contacted the scammer through this advertisement. They began speaking in October 2022 and he says he started investing through his Revolut account in December 2022. Mr C realised he'd been scammed when he was unable to withdraw from the investment and was asked to pay more money.

Mr C complained to Revolut that it should've warned him about these scams when he made the payments and said this would've prevented his losses. But it didn't uphold his complaint.

Mr C came to our Service, but our Investigator didn't uphold his complaint. They relied on calls Mr C had with his bank at the time of the scam where he misled them about the purpose of moving the money, as he wasn't honest that he was investing. Mr C asked for an Ombudsman to reconsider his case.

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 December 2022 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 – (as in practice Revolut sometimes does including in relation to card payments);
- 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.

While I think Revolut ought to have recognised that Mr C was at heightened risk of financial harm from fraud when making these payments, I don't think any proportionate intervention by Revolut would have prevented Mr C's loss. I'll explain why.

I've listened to Mr C's call with his bank when he is topping up his Revolut account for this scam. He explains that he's moving money to Revolut to spend when he is working abroad, as Revolut doesn't have any charges. And the money is being put into Revolut and kept in there for that reason.

Reviewing Mr C's account *prior* to his involvement in this scam, I accept that he does use the account for the purpose he states on the call. But he also never has an account balance over £505 before November 2022. And it's in November 2022 that I can see he starts getting involved in cryptocurrency on his Revolut account and the amount going into the account then increases.

Mr C uses the money he pays in from his bank to fund the cryptocurrency purchases almost immediately as the funds clear the account. So I'm not persuaded the funds being moved were ever intended to be used in the way Mr C described to his bank. I am persuaded that by saying what he did, he was acting to mislead it about what he was really doing.

Mr C's representative has argued that Mr C wasn't coached by the scammer and the logical conclusion is that, if Revolut had intervened and questioned him, he would've been forthcoming and the scam would've unravelled. But I can't agree that this is the case.

It's not clear why Mr C decided to mislead his bank if it wasn't being coached – although I accept he also tells his bank he hasn't been told to lie. But it therefore seems he personally had concerns about revealing what he was truly doing with the funds. I accept that the same false information couldn't be provided to Revolut – as it should've been aware he was buying cryptocurrency – but that doesn't 'logically' mean he then would've been honest with it, so that the scam unravelled.

Where something didn't happen that should have, I'm required to make this decision based on the balance of probabilities; that is, what I find is more likely than not to have happened if things had gone as they should. I'm not persuaded Mr C would've mislead his bank but then decided to be honest with Revolut. He hasn't provided a reasonable explanation for hiding the true purpose of the payments, so that I can be persuaded he'd have done something different if Revolut asked him. So on balance, it seems most likely he would've behaved in the same way and also misled Revolut had it intervened.

Revolut was only required to take proportionate steps to try and protect Mr C from financial harm, and I'm not persuaded he would've shared anything concerning with Revolut had it questioned him about what he was doing. Or, considering the clear trust he had in this opportunity – as he was willing to mislead his bank, that he would've heeded any warnings. So I'm not persuaded that the scam would've been uncovered by any proportionate intervention by Revolut.

Whilst Mr C has undoubtedly been the victim of a cruel scam, I can only uphold his complaint if I'm satisfied failings by Revolut made a material difference to what happened. For the reasons given, I'm not persuaded they did.

My final decision

For the reasons set out above, I don't uphold Mr C's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 19 March 2025.

Amy Osborne
Ombudsman