

The complaint

Mr W complains that Revolut Ltd didn't do enough to protect him from the financial harm caused by an investment scam, or to help him recover the money once he'd reported the scam to it.

What happened

The detailed background to this complaint is well known to both parties. So, I'll only provide a brief overview of some of the key events here.

In early 2024, Mr W was approached on social media by someone I'll refer to as "the scammer". The scammer complimented Mr W's profile picture and the conversation quickly moved to WhatsApp, where they shared personal photos and details about their lives, interests, and daily activities.

Once the scammer had gained Mr W's trust, she told him about an opportunity to earn money through an online shopping platform I'll refer to as "E". The scammer said she'd been successfully using the platform for years and sent Mr W an image of her own wallet, showing a balance of approximately \$75,000.

The scammer told Mr W how to set up an online store and sent him a link and a VIP invitation code. She explained he would be required to display various products on his store page, including electrical goods, fitness products, women's fashion, and cosmetics. When a product was ordered, he would have to pay the "pick-up" amount, and after the product was delivered and paid for, he would receive the "pick-up" amount plus approximately 15% profit back.

The scammer told Mr W to first purchase cryptocurrency through a cryptocurrency exchange company and then load it onto his store wallet. He transferred funds from his savings account to Revolut and between 19 March 2024 and 3 June 2024 he made three push-to-card payments to two individuals totalling £766.20, twelve exchanges to cryptocurrency totalling £5,851.43, and fifteen cryptocurrency withdrawals.

Mr W could see his profits growing on the platform and he was initially able to make small withdrawals, which encouraged him to invest more. But he realised he'd been scammed when the link to the online store was no longer valid, and he lost contact with the scammer. He complained to Revolut, but it refused to refund any of the money he'd lost.

It said it launched the procedure to freeze and retrieve the funds from the fraudulent bank account, but it was unable to recover the funds and that it wasn't at fault for processing the payments.

Mr W wasn't satisfied and so he complained to this service with the assistance of a representative who argued that Mr W believed the investment was genuine because the platform seemed very professional and he'd remained in constant contact with the scammer, who he trusted. He'd also used an app to verify the scammer's mobile numbers, which

matched the names and company details provided, and he felt the returns were realistic and had made some small withdrawals.

The representative said Revolut's warnings were insufficient, and, given the value and frequency of the transactions, it should have implemented more stringent checks, which would have identified the red flags. A

Responding to the complaint, Revolut said Mr W created the account on 17 March 2024, giving the account opening purposes as 'purchase protection', 'transfers', and 'crypto', and, because the account was newly created, it was difficult to identify the transactions as highly unusual, so it had no reasonable basis to believe he could be a victim of financial harm.

It maintained its transaction monitoring controls were in line with expected behaviour for the type of transaction and commented that if Mr W had done some due diligence, he'd have seen that E had no online presence and a bad trust score. In addition, it said he agreed to participate in a job which required him to pay to execute the role with no contract or agreements, and purchased cryptocurrency having been shown strong warnings in the app.

It argued that Mr W was paying accounts in his own name and was merely topping up the Revolut account with the funds from his main bank account before transferring the funds to another account, so the fraud didn't take place on the Revolut platform. And Mr W had a personal relationship with the scammer, and so any interventions would likely not have made any difference as Mr W was committed to proceeding with the payments regardless of the warnings issued.

Our investigator didn't think the complaint should be upheld. She explained that exchanges to cryptocurrency aren't regulated, but the activity is ancillary to payment services, so she could consider them as part of the complaint. But she couldn't consider the losses suffered through the withdrawal of cryptocurrency.

She noted that when Revolut declined a payment for £1,500 on 29 March 2024, Mr W denied having installed AnyDesk, he'd researched the company, and he was sending funds to his own account. And in the live chat that followed, he said he was making P2P transactions and was using the cryptocurrency to fund an online store call E, where he sold products. He then produced a screenshot of the shop and his profile and explained he hadn't withdrawn any funds but planned to redeem the cryptocurrency and pay the proceeds back to his Revolut account. He eventually cancelled the payment.

Our investigator thought Revolut should have explored why Mr W was funding the business using cryptocurrency. But she commented that the use of cryptocurrency wouldn't necessarily have meant the investment wasn't genuine, and the screenshot Mr W provided confirmed he did have a shop. Further, he didn't disclose the involvement of a third-party, and this was a sophisticated scam whereby the fraudulent platform showed Mr W when orders were received and dispatched, as well as the expected date of arrival. So, if he'd shared this with Revolut, she didn't think it would have refused to make the payment.

Finally, our investigator considered whether the deposits Mr W had made into the account were unusual, and she didn't think they were because they came from accounts in Mr W's name. And she didn't think the exchanges were concerning because they weren't high value or made in quick succession. So, she didn't think Revolut missed any opportunities to stop the scam.

Finally, she explained that the P2P payments weren't fraudulent because Mr W received the cryptocurrency he paid for and so there was nothing Revolut could have done to recover the funds. And she didn't think he was entitled to any compensation.

Mr W has asked for his complaint to be reviewed by an Ombudsman. His representative has argued that Revolut should have asked Mr W why he was buying cryptocurrency, how he found out about the company, whether he'd done any research, whether he'd made any withdrawals, whether he was being pressured, whether he'd been told to download AnyDesk, whether he'd been coached, whether he'd responded to any cold calls or adverts about a job, and if he'd been coached to lie.

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 reached the same conclusion as our investigator. And for largely the same reasons. I'm sorry to hear that Mr W has been the victim of a cruel scam. I know he feels strongly about this complaint, and this will come as a disappointment to him, so I'll explain why.

Jurisdiction

Our service can consider a wide variety of complaints about financial services, but we can't consider all the matters referred to us. The Dispute Resolution Rules (DISP) set out the complaints that fall within our remit and are found in the Financial Conduct Authority's (FCA) handbook. Mr W's complaint arises from her customer relationship with a UK based firm, which is regulated by the FCA. But there are other factors which affect whether our service can consider a complaint – and DISP includes limits on the activities we can review.

According to the rules, we can consider a complaint under our Compulsory Jurisdiction if it relates to an act or omission by a firm in carrying on one or more of the activities listed under DISP 2.3. Having reviewed those activities, I've decided we can't look into the part of Mr W's complaint which relates to the transfer or withdrawal of cryptocurrency from the Revolut platform. I hope the below explanation of why is helpful.

Mr W had an account with Revolut which allowed him to trade in cryptocurrency. But the operation of cryptocurrency services isn't currently a regulated activity, or one that's listed under DISP 2.3 – so we aren't able to look into complaints about it. Cryptocurrency isn't electronic money or 'fiat currency' according to the FCA – instead it classifies cryptocurrency, and similar crypto-assets, as 'exchange tokens'. So, while Revolut is also a Payment Services provider, the withdrawal of cryptocurrency doesn't concern e-money or a payment account – and so doesn't fall under our remit as being about a payment service.

However, our service can look into complaints about activities that are ancillary to the ones covered by us (those listed under DISP 2.3). The steps leading up to the transfer/withdrawal of cryptocurrency also includes both the acceptance of funds into Mr W's account and then a subsequent request for Revolut to exchange fiat money into cryptocurrency.

I am satisfied that these earlier steps amount to payment services, and in the case of the exchanges, at the very least an activity which is ancillary to payment services. Given the broad nature of this complaint, I'm satisfied that the exchange to cryptocurrency is an activity our service can consider.

For the reasons I've given, our service doesn't have the remit to consider the element of Mr W's complaint which relates to the transfer/withdrawal of cryptocurrency from the Revolut platform.

The part of the complaint I can consider

I'm satisfied Mr W 'authorised' the payments for the purposes of the of the Payment Services Regulations 2017 ('the Regulations'), in force at the time. So, although he didn't intend the money to go to scammers, under the Regulations, and under the terms and conditions of his bank account, he is presumed liable for the loss in the first instance.

There's no dispute that this was a scam, but although Mr W didn't intend his money to go to scammers, he did authorise the disputed payments. Revolut is expected to process payments and withdrawals that a customer authorises it to make, but where the customer has been the victim of a scam, it may sometimes be fair and reasonable for the bank to reimburse them even though they authorised the payment.

Prevention

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 March 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;
- 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.

I've thought about whether Revolut could have done more to prevent the scam from occurring altogether. It ought to fairly and reasonably be alert to fraud and scams and these payments were part of a wider scam, so I need to consider whether it ought to have intervened to warn Mr W when he tried to make the payments. If there are unusual or suspicious payments on an account, I'd expect Revolut to intervene with a view to protecting Mr W from financial harm due to fraud.

Several of the transactions flagged on Revolut's security system and so I've considered whether it intervened appropriately and at the right time. The first transaction was an exchange of £193.43 to cryptocurrency and Revolut wouldn't have needed to do anything because it was so low value.

The first four push-to-card payments were low value payments for £319.80, £409, £352.20 and £32. Revolut did intervene and the first payment was declined. As the other three transactions were relatively low value, it wouldn't have known Mr W was buying cryptocurrency from P2P sellers, and he responded negatively to the questions about social

media and remote access software, so I'm satisfied the interventions were proportionate and I wouldn't have expected it to go any further.

Revolut declined a further push-to-card payment on 29 March 2025, after which Mr W made twelve exchanges to cryptocurrency on the Revolut platform. None of the exchanges exceeded £750 and so there wouldn't have been any reason for it intervene. But I've considered whether it could have stopped the scam on 29 March 2025, and I don't think it could.

During the live chat Mr W disclosed that he was buying cryptocurrency from P2P sellers and that he was selling products to genuine customers on E. He didn't disclose the involvement of a third-party, he said he wasn't using AnyDesk, and he'd done some research. He also posted a screenshot of the platform.

Our investigator has suggested that Revolut could have asked Mr W some more questions around why he was using cryptocurrency, and I think it could also have given a warning about cryptocurrency-related scams. But the chat ended because the transaction timed out. In addition, this was a sophisticated scam, and I think Mr W responses to further questions would have been plausible, so I wouldn't expect Revolut to have declined the payments. And I don't think a warning about cryptocurrency scams would have stopped the scam because he believed he was selling products to genuine customers. So, I don't think Revolut could have stopped the scam at that point.

Recovery

I don't think there was a realistic prospect of a successful recovery because Mr W received the cryptocurrency he paid for.

Compensation

The main cause for the upset was the scammer who persuaded Mr W to part with his funds. I haven't found any errors or delays to Revolut's investigation, so I don't think he is entitled to any compensation.

I'm sorry to hear Mr W has lost money and the effect this has had on him. But for the reasons I've explained, I don't think Revolut is to blame for this and so I can't fairly tell it to do anything further to resolve this complaint.

My final decision

For the reasons I've outlined above, my final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 6 October 2025.

Carolyn Bonnell
Ombudsman