

The complaint

Mr S complains that eToro Money UK Ltd didn't do enough to prevent him losing money to a scam.

What happened

The detailed background to this complaint is well known to both parties so I'll only provide a brief overview here.

Mr S held an account with eToro and between November 2023 and January 2024 he made a series of transfers, purchases and crypto withdrawals which were funded via an account he held with a bank I'll refer to here as F. Together the payments totalled around £65,000.

Mr S says that he was scammed and lost all his money. Mr S complained to eToro who ultimately said they didn't think the activity was suspicious. The matter was referred to our service and one of our Investigators didn't recommend it should be upheld. In summary she didn't think eToro had acted unfairly, Mr S disagrees and has asked for an Ombudsman to review his complaint.

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 outcome as our Investigator and for similar reasons. I know this will be disappointing for Mr S, so I'll explain why.

I've read and considered the whole file. But I'll concentrate my comments on what I think is relevant. If I don't mention any specific point, it's not because I've failed to take it on board and think about it, but because I don't think I need to comment on it to reach what I think is a fair and reasonable outcome.

Where the evidence is incomplete, inconclusive, or contradictory (as it is here), I have to make my decision on the balance of probabilities – that is, what I consider is more likely than not to have happened in the light of the available evidence and the wider surrounding circumstances.

It isn't in dispute that Mr S authorised the payments here. And, under the Payment Services Regulations 2017 and the terms of his account, eToro are expected to process the payments and Mr S is presumed liable for the loss in the first instance.

However, taking into account the regulatory rules and guidance, relevant codes of practice and good industry practice, there are circumstances where it might be appropriate for eToro to take additional steps or make additional checks before processing a payment to help protect customers from the possibility of financial harm from fraud.

Firstly, I note Mr S has received refunds from other firms. But just because he received a refund from other firms doesn't mean he is entitled to a refund from eToro.

I've considered whether eToro should've done more to stop the exchanges of GBP into crypto and the payments Mr S made out of the account. It is common ground that Mr S authorised the exchanges, the crypto withdrawals and the payments here. I accept that these were authorised even though Mr S was the victim of a scam. So, although it wasn't his intention to pay money to the scammers, under the Payment Services Regulations 2017 (PSRs) and the terms of his account, Mr S is presumed liable for the loss in the first instance.

eToro said that it only asked Mr S to provide a selfie-video when he tried to redeem 0.52099300 units of ETH in January 2024. And it didn't intervene any further before following Mr S' payment instructions. This check was more than likely there to make sure that eToro were satisfied that it was Mr S making the transaction. In the circumstances of this complaint, I don't think that was unreasonable.

I've thought about whether eToro should've stopped more of the payments and exchanges into crypto here. When the account was opened Mr S told eToro that he was expecting to deposit between \$200,000 to \$500,000. So, eToro would've been expecting a large amount of money to have been deposited in the account. Once the money was in the account Mr S proceeded to make a variety of trades in stocks and shares and crypto over roughly a six-week period which is what the account was set up to do.

The scammer, who was supporting and coaching Mr S, by his own admission, then asked Mr S to purchase and move some crypto from his eToro account to three external wallets which Mr S did. Again, although the amount Mr S was moving was large, eToro was expecting movements of money of that value and for him to use the account to purchase stocks and crypto - which is the exact service it provides. And because they were external wallets there was no way of eToro knowing that those wallets were linked in any way to a scam at the time Mr S moved the funds. Although some of the payments and exchanges of Mr S' funds into crypto were large, I don't think I need to make a finding on whether or not eToro should've considered this suspicious. That's because even if eToro did find it suspicious I don't think it would've been able to uncover the scam. I'll explain why.

Mr S has admitted that he was being coached by the scammer on what to say to his bank and another payment service provider so that he could move his money. He told the payment service provider he wasn't being guided, was making the investment by himself and had been able to make withdrawals (which wasn't true).

I've seen the chats between Mr S and the scammer and considered what he told his bank and payment service provider when some of his payments with those firms were stopped. I note the scammer instructed Mr S not to mention the name of the scam company and Mr S would reach out to the scammer when the other firms did stop the payments. By the time he was making the exchanges and crypto withdrawals in January 2024 on e-Toro, I'm satisfied Mr S was more likely than not under the influence of the scammer more than he was earlier in the scam. That's because despite warnings from his bank he was still sending money to the scam from other accounts to avoid detection. As a result, I'm satisfied that even if eToro had asked Mr S to confirm why he was making the exchanges into crypto it would've been provided with similar and inaccurate answers like he did with the payment service provider in February 2024 (that Mr S was investing by himself) leaving it unable – on balance – to discover the scam. I'm also satisfied that any further generic crypto investment scam warnings in the app wouldn't have resonated with Mr S at the time.

So, I can't reasonably conclude that Mr S was treated unfairly here by eToro.

Recovery

eToro isn't able to recover the crypto withdrawal as that money has been sent to the scammer. The withdrawal of crypto isn't a regulated activity either as our Investigator has explained. So, I'm unable to comment on that any further.

As a result, I can't fairly say eToro didn't treat him fairly by not attempting recovery of that loss when the claim was made.

Mr S has said this scam has had a detrimental effect on his health. I'm sorry to hear about his personal circumstances. But I can only ask eToro to take those health conditions into account if it was aware of them at the time Mr S made the payments. So, I can't reasonably hold it to a higher standard based upon the circumstances of this complaint.

My final decision

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 S to accept or reject my decision before 16 October 2025.

Mark Dobson
Ombudsman