

The complaint

Mr C complains that Revolut Ltd (“Revolut”) won’t refund payments he made as part of a scam.

What happened

The background to this complaint is well known to both parties, so I won’t repeat it in detail here. But in summary, I understand it to be as follows.

Mr C has stated that during lockdown in 2020, owing to high street banks being closed, he researched online banks in order to maintain more control over his finances. Following this research, he decided to open an account with Revolut.

Having reviewed information on Revolut’s app on how to invest, Mr C began to use his account to buy cryptocurrency and stocks and shares.

Between January 2021 and June 2021 Mr C made payments totalling £73,779.19 to cryptocurrency exchanges from his Revolut account.

In May 2022, Revolut requested information from Mr C relating to the proof of ownership of the funds that had entered his accounts. Unsatisfied with the documentation he supplied, Revolut liquidated Mr C’s cryptocurrency and stocks and shares held with Revolut, which meant Mr C had to transfer his assets to different exchanges.

Once liquidated, Mr C transferred his assets to a cryptocurrency exchange, further referred to as Company A. In September 2022, Company A began to close its operation which resulted in Mr C incurring a loss.

In August 2023, Mr C complained to Revolut that he’d fallen victim to a scam. He complained that they failed to intervene to ensure that the payments were genuine and that Mr C wasn’t the victim of a scam.

Revolut declined Mr C’s complaint on the basis that they were providing him assistance in attempting to recover funds from the various crypto currency exchanges he’d paid. They also stated that they didn’t have enough evidence to conclude their report. Unhappy with this response, Mr C’s complaint was referred to our service.

An investigator looked into Mr C’s complaint but didn’t uphold it. The investigator said that they didn’t think there was sufficient evidence to demonstrate Mr C had fallen victim to a scam. They also felt that because Mr C’s payments were made to legitimate merchants, Revolut didn’t act unfairly or unreasonably by not asking questions about the payments before they were released.

Mr C disagreed with the investigator’s findings. In summary, Mr C still believed that Revolut had fallen short of their regulatory requirements by failing to intervene when Mr C was making the payments in dispute. They also claimed that Mr C was suffering from health

issues at the time the payments were made and, had they made sufficient enquiries at the time of the payments, they would've uncovered this.

As the complaint couldn't be resolved by the investigator it was been passed to me for a decision.

Having reviewed the case, I reached the same answer as the investigator but also addressed additional points that were raised following their assessment. So, I issued a provisional decision and gave both parties the chance to provide any further evidence they wanted considered before I issued a final decision.

What I provisionally decided – and why

In my provisional decision I said:

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Mr C and his representative have provided detailed submissions to our service in relation to this complaint. In keeping with our role as an informal dispute resolution service, I will focus here on the points I find to be material to the outcome of Mr C's complaint. This is not meant to be a discourtesy to Mr C and I want to assure him I have considered everything they've submitted carefully.

In deciding what's fair and reasonable in all the circumstances of a complaint, I'm required to take into account relevant: law and regulations; regulators' rules, guidance and standards; codes of practice; and, where appropriate, what I consider to be good industry practice at the time.

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.

Here it's not in dispute that the payments were authorised, so the starting position is that Revolut isn't liable for the transactions.

There are, however, some situations where we believe that businesses, taking into account relevant rules, codes and best practice standards, shouldn't have taken their customer's authorisation instruction at 'face value' – or should have looked at the wider circumstances surrounding the transaction before making the payment.

Revolut also has a duty to exercise reasonable skill and care, pay due regard to the interest of its customers and to follow good industry practice to keep customer's accounts safe. This includes identifying vulnerable consumers who may be particularly susceptible to scams and looking out for payments which might indicate the consumer is at risk of financial harm.

Taking these things into account, I need to decide whether Revolut acted fairly and reasonably in its dealings with Mr C.

Has Mr C fallen victim to a scam?

The Financial Conduct Authority handbook defines authorised push payment (APP) fraud as:

'a transfer of funds by person A to person B, other than a transfer initiated by or through person B, where:

- (1) A intended to transfer the funds to a person other than B but was instead deceived into transferring the funds to B; or*
- (2) A transferred funds to B for what they believed were legitimate purposes but which were in fact fraudulent.'*

So, in order for me to reach the finding that Mr C is the victim of an APP fraud, I need to determine whether the circumstances surrounding the payments meet the FCA handbook definition of APP fraud.

Mr C has claimed that the disputed payments were as a result of a scam perpetrated by Company A. To evidence this, Mr C and his representatives have provided links to websites which detail investigations undertaken into Company A by authorities.

Importantly, though, these links do not explain the exact detail of the investigation into Company A nor the authority, or authorities, carrying out any investigation. It's also important to note that these news articles date from 2023. Since that time, Company A, according to its own webpage, has been paying out any assets held to its account holders. Company A's webpage confirms that it is still processing the withdrawal of cryptoassets to its account holders.

Mr C has also provided our service with a screenshot of his account with Company A, showing that some assets still remain in his wallet with them. This suggests that Mr C's funds are available but his difficulties lie in withdrawing his funds, rather than Company A being a scam.

The evidence available suggests that Mr C's funds appear to have been used to fund an account with a cryptocurrency exchange which later had to cease its operation – and appears to still be liquidating its assets to its account holders. This wouldn't meet the definition of APP fraud, so I wouldn't recommend a refund on that basis that Mr C has fallen victim to APP fraud.

Has Mr C incurred a financial loss?

In June 2021, at the request of Revolut, Mr C supplied documentation to evidence his entitlement to the monies that had entered his account and funded the payments which he now claims are part of a scam.

It's clear from the chat between Mr C and Revolut that, in June 2021, he claimed the funds entering his account were from his account with another bank, and these funds had been received for business purposes. Mr C confirmed to Revolut on 22 June 2021 that 'I am managing investments for my mother who also paid into my accounts'. Mr C also provided evidence, such as invoices, to show that the funds had been received as a result of him carrying out work as part of his employment.

This appears to contradict what Mr C now states was the purpose for receiving these funds; that he was borrowing money in order to fund his own investments. These inconsistencies make it difficult for me to determine the genuine reason Mr C obtained the money used to facilitate the payments he is now disputing.

Given the inconsistencies mentioned above, I don't believe the evidence provided by Mr C and his representatives sufficiently demonstrate Mr C's entitlement to the money used to

fund the disputed payments – nor do I think the evidence demonstrates that he has suffered a financial loss.

But, for completeness, even if I were satisfied that Mr C did have entitlement to the funds that entered and subsequently left his account and had suffered a financial loss, I wouldn't be in a position to uphold his complaint on the basis that I don't believe he has fallen victim to an APP fraud.

Should Revolut have prevented the payments?

Mr C feels that Revolut should've done more to prevent the payments at the time they were being made, given their high value and the volume of transactions. As far as I can see, though Revolut did correspond with Mr C regarding his entitlement to the funds at the time of the payments, I can't see that the purpose of the payments was discussed or that Revolut asked questions to determine whether Mr C may be at the risk of financial harm.

As referenced earlier in my decision, Revolut has a duty to exercise reasonable skill and care, pay due regard to the interest of its customers and to follow good industry practice to keep customer's accounts safe. That said, Revolut has no obligation to protect its customers from bad bargains or poor investment choices.

As I don't believe Mr C is the victim of an APP fraud, and that this is a civil matter between Mr C and Company A, I'm satisfied that Revolut haven't failed any of their obligations by not providing any warnings prior to the disputed payments.

Mr C's vulnerability to the scam

I can't see that Revolut were aware of Mr C's vulnerabilities at the time of the payments, so I can't say they ought to have taken alternative actions because of the health issues he was experiencing. I'm also not persuaded, based on the evidence provided, that Revolut would've identified Mr C's vulnerabilities had they intervened at the time of the payments.

Other complaint points

Mr C has also raised a number of issues when referring his complaint to our service, though I cannot see Revolut have had the opportunity to investigate these matters. For clarity, the complaint points I refer to are:

- Mr C being allowed to invest more than he can afford through Revolut's app.
- The liquidation of Mr C's assets held with Revolut and subsequent closure of his account.

The Financial Ombudsman Service can only consider complaints if the business being complained about has had the opportunity to investigate the matter first. As these matters haven't been formally raised with Revolut, and they've not had the opportunity to respond to these aspects of Mr C's complaint, I've not considered them as part of my decision. If Mr C wishes Revolut to consider these aspects of his complaint, he should raise them with Revolut directly.

Overall

Based on everything I've seen, I'm not satisfied that Mr C has fallen victim to a scam. Further to this, I don't believe Mr C has been able to demonstrate that he had entitlement to the money that funded the disputed payments or that he has suffered a financial loss.

Finally, I'm not satisfied that Revolut could have, or should have, prevented the payments at the time they were being made.

My provisional decision

My provisional decision was that I do not uphold this complaint against Revolut Ltd.

Responses to my provisional decision

Mr C's representative requested an extension to the response time given in my provisional decision. Though this extension was agreed to, I've not received a response from Mr C's representatives within the agreed timeframes.

Under the Dispute Resolution Rules (found in the Financial Conduct Authority's Handbook), DISP 3.5.13 and 3.5.15, say, if a respondent (Revolut) and a complainant (Mr C and his representative) fail to comply with a time limit, the ombudsman may proceed with the consideration of the complaint.

As the deadline for responses to my provisional decision has expired, I'm going to proceed with issuing my final decision.

What I've decided – and why

As no new evidence or arguments have been put forward by either party, I see no reason to reach a different answer than I did in my provisional decision.

In summary, I'm not satisfied that Mr C has fallen victim to a scam or that he has sufficiently demonstrated that he has suffered a financial loss. I'm satisfied that Revolut have acted reasonably in this instance.

My final decision

My final decision is that I don't uphold this complaint against Revolut Ltd.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 12 June 2025.

Billy Wyatt
Ombudsman