

The complaint

Mr V is complaining that eToro Money UK Ltd (eToro Money) didn't prevent him from making payments to a scam.

What happened

The circumstances of the scam are well-known to both parties so I won't go into detail here. But in short, Mr V fell victim to a scam after being contacted by a fraudster who was pretending to work for his bank, and subsequently a different caller who said he was from the Financial Conduct Authority. The caller advised Mr V that his account was at risk, and he needed to move his money to keep it safe.

Mr V made payments into his account with eToro Money, which he then transferred into the trading and investment account he also held with eToro in its linked but separately regulated investment function. From there, it was converted into cryptocurrency which Mr V then, unknowingly, transferred to the scammer.

Mr V made the following payments from his account with eToro Money to his trading account as part of the scam:

Date	Amount
7 September 2024	£1,000
7 September 2024	£1,250
7 September 2024	£1,314
7 September 2024	£786

Mr V realised he'd been scammed and contacted eToro Money. It issued its final response to say it didn't think it had done anything wrong. Mr V then brought his complaint to the Financial Ombudsman Service.

Our Investigator looked into what had happened, but she didn't uphold Mr V's complaint. She didn't think eToro Money ought to have found the payment activity suspicious or indicative of a scam.

Mr V didn't agree so his complaint has been passed to me for review and a decision.

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.

I'm really sorry to disappoint Mr V but I'm not upholding his complaint, for much the same reasons as the Investigator's explained.

It's not in dispute that Mr V authorised the payments, and eToro Money does have a duty to act on his instructions. But in some circumstances, it should take a closer look at the circumstances of the payments – for example, if it ought to be alert to a fraud risk, because the transaction is unusual, or looks out of character or suspicious. And if so, it should intervene, for example, by contacting the customer directly, before releasing the payments. I'd expect any intervention to be proportionate to the circumstances of the payment.

But I've also kept in mind that eToro Money processes high volumes of transactions each day. There is a balance for it to find between allowing customers to be able to use their account and questioning transactions to confirm they're legitimate.

eToro Money has confirmed that it didn't intervene here. And I'm not persuaded it ought to have found any of the payments suspicious, such that it should have made enquires of Mr V before processing them.

Here, Mr V was funding another account held in his name – his eToro trading and investment account – from his account with eToro Money. He had held a trading account with eToro for some months and had previously traded in cryptocurrency through it, but I can't see that he'd used his eToro Money account to fund the trading account before.

But I must bear in mind that the purpose of the account Mr V held with eToro Money was to facilitate making payments to his own trading and investment account with eToro. And as such I don't think the four transactions Mr V made in relation to the scam would have looked unusual or suspicious. They were not for large amounts, especially in the context of an account which has been set up to facilitate the transfer of funds to another account for trading and investing; the purpose of this account was for trading in stocks and cryptocurrencies up to value of 20,000 US dollars per year and the payments were in line with that. The payments were made in relatively quick succession, but this in itself isn't enough for me to conclude that eToro Money should have intervened here, when the amounts were not concerning.

I do appreciate that this was a significant amount of money for Mr V to lose. He's been the victim of a cruel scam and I can understand why he'd think he should get his money back. But in all the circumstances here, I can't conclude that eToro Money should have done more to prevent his loss. It follows that I don't think it needs to refund the payments he made to the scam.

My final decision

My final decision is that I'm not upholding Mr V's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr V to accept or reject my decision before 1 August 2025.

Helen Sutcliffe
Ombudsman