

The complaint

Mr T complains that Revolut Ltd (Revolut) is refusing to refund him the amount he lost as the result of a scam.

Mr T is being represented by a third party. To keep things simple, I will refer to Mr T throughout my decision.

What happened

The background of this complaint is well known to all parties, so I won't repeat what happened in detail.

In summary, Mr T has told us that he was introduced to an investment opportunity by a friend that involved gold stuck in a security facility due to unpaid storage fees. Mr T's friend appeared to work for a company that invested in commodities such as gold and oil.

The scammers (I will call "X") provided convincing brochures and documentation that made them appear genuine. X communicated with Mr T via calls, messages via a messaging service, emails, and in person.

Mr T has further told us that he visited the storage facility where the gold was being stored and saw the gold in person. Mr T was able to test the gold and was happy it was genuine.

Mr T made payments as agreed via cryptocurrency as the banking system in the country he was dealing with was not as secure as those in the UK. But after he made the agreed payments, X continued to request further payments.

Mr T realised he had fallen victim to a scam when he was no longer able to contact X.

What I can and can't look into in relation to this complaint

Our service can't consider all complaints that are referred to us. The rules under which we operate are set out in the Financial Conduct Authority's Handbook and are collectively known as the DISP rules. We can only consider complaints that fall within our jurisdiction, in line with these rules.

Particularly relevant to Mr T's complaint is DISP 2.2 which states:

"DISP 2.2: Which complaints can be dealt with under the Financial Ombudsman Service?"

2.2.1 The scope of the Financial Ombudsman Service's two jurisdictions depends on:

(1) the type of activity to which the complaint relates..."

Those activities are then listed in DISP 2.3 (although I will not list all of them here). We can only consider complaints that relate to an act or omission by a financial business in carrying out one or more of the activities listed in DISP 2.3.

Cryptocurrency isn't electronic money or fiat currency according to the Financial Conduct Authority. Instead, it classifies cryptocurrency, and similar cryptocurrency-assets, as 'exchange tokens'. The operation of cryptocurrency services isn't currently regulated by the financial regulator in the UK.

There are no activities listed in DISP 2.3 which would cover the activity this part of Mr T's complaint relates to – namely, withdrawing the cryptocurrency and sending it on to the scammer. And so, I don't think his complaint in relation to the cryptocurrency payments relates to an activity covered by us.

I am mindful that Mr T deposited fiat currency to his Revolut account and then exchanged this into the cryptocurrency which was withdrawn and ultimately lost to the scam. But the sending of the cryptocurrency was provided separately from the provision of Mr T's main e-money account. In the circumstances, I don't consider Revolut's provision of sending cryptocurrency services to be sufficiently closely linked to its provision of payment services to Mr T (through the provision of his e-money account) that it should be deemed ancillary to this. So, I'm satisfied that this service is unable to investigate the withdrawal of cryptocurrency here.

What I can look at, is whether Revolut should have intervened when the deposits into Mr T's account were made and when the funds were converted into cryptocurrency.

Mr T has disputed the following exchanges made in relation to the scam using his Revolut account:

Payment	Date	Exchange	Amount
1	11 November 2024	USDT	£39,600
2	11 November 2024	USDT	£9,899
3	13 November 2024	USDT	£5,788.51
4	13 November 2024	USDT	£4,853.82
5	20 November 2024	USDT	£4,455

Our Investigator considered Mr T's complaint and didn't think it should be upheld. Mr T disagreed, so this complaint has been passed to me to decide.

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.

It has not been disputed that Mr T has fallen victim to a cruel scam. The evidence provided by both Mr T and Revolut sets out what happened. What is in dispute is whether Revolut should refund the money Mr T lost due to the scam.

Recovering the payments Mr T made

Mr T exchanged his funds into cryptocurrency within his Revolut account. As he remained in control of the exchanged funds there would be no funds to recover following these transactions, and therefore no recovery options were available.

It took further steps following the exchange of the funds (cryptocurrency withdrawals) for those funds to end up in the hands of the scammers. As I've already explained that I am unable to look at the cryptocurrency withdrawals (as they are not covered by our jurisdiction), I am unable to comment on whether Revolut should have recovered the withdrawals.

Should Revolut have reasonably prevented the exchanges Mr T made?

It has been accepted that Mr T authorised the payments that were made in relation to the scam, albeit on X's instruction. So, the starting point here is that Mr T is responsible.

However, banks and other Payment Services Providers (PSPs) do have a duty to protect against the risk of financial loss due to fraud and/or to undertake due diligence on large transactions to guard against money laundering.

The question here is whether Revolut should have been aware of the scam and intervened when Mr T made the payments. And if it had intervened, would it have been able to prevent the scam taking place. I will look at each type of payment in turn.

Deposits

In general, I wouldn't expect Revolut to have concerns about deposits being made into a customer's account and interventions to take place unless they had money-laundering concerns which it didn't have in on this occasion. So, I don't think it was unreasonable that Revolut didn't intervene when payments were made into Mr T's account.

Exchanges to cryptocurrency

The exchanges Mr T made into cryptocurrency were for a significant value that I think should have caused Revolut to have concerns from payment 1 and it should have intervened.

I think that a proportionate intervention to the risk associated with payment 1 would have been for Revolut to have discussed the payment with Mr T with a view to find out more about the background leading to it, and to provide appropriate warnings. Revolut could have done this, for example, by requiring Mr T to take part in a conversation via its in-app chat facility.

Revolut did intervene when Mr T attempted to make cryptocurrency withdrawals on 11 November 2024 and 20 November 2024.

On 11 November 2024 Mr T was required to answer various questions via Revolut's automated system. He confirmed:

- He understood that investments promoted on social media, or by celebrities were almost always scams.
- He had discovered the investment via friends or family.
- He understood that if he was being pressured, he was likely being scammed.
- He was following instructions or advice.
- He understood that if an investment offered high returns in a short period of time, he was likely being scammed.
- The investment was offering high returns.
- If he was sending funds to an account, he didn't control he was likely being scammed.
- He was sending funds to a new account created for him by someone else.
- He had carried out his own research.

Mr T then confirmed that he had checked the scam risks and, due to the information he had provided was forwarded through to Revolut's live chat facility.

Mr T confirmed he was in the office of the company he was sending funds to at the time of the chat and negotiations between the two had been ongoing for months. Mr T also sent a copy of a contract he had via the chat facility and said he took full responsibility.

Mr T was warned during the chat:

“Please be wary of investments in gold, property, crypto, or other assets that promise high returns. Scammers often use these to lure you in. can I just check again with you if anyone is guiding you or trying to pressure you into making this payment and response to our questions?”

Mr T said he was not. Yet has since confirmed he was pressured into making the payments.

When Revolut intervened again on 20 November 2024 Mr T answered its questions in the same way he had done previously.

It's possible Revolut could have intervened further than it did, but had it done so, I think at most it would have found that Mr T had been introduced to the investment by a friend and had seen X in person. Mr T had also seen the goods (gold) in person and was able to test the gold to confirm it was genuine. Mr T also had documentation to support the investment being genuine and what appeared to be a genuine reason for payments being made by cryptocurrency.

While Mr T says X was not a registered UK company and it communicated with him via a messaging application. Mr T also confirmed he had carried out his own research on X before investing. I would not have expected Revolut to have investigated X on behalf of Mr T.

X also communicated with Mr T via phone and in person so I don't think the use of a messaging application in addition to these other methods would necessarily have caused concerns.

X used sophisticated scam tactics throughout the scam. I think that overall Mr T was convinced he was taking part in a genuine investment and the information available at the time would not have been enough to cause Revolut concerns that Mr T was falling victim to a scam.

So, I don't think Revolut missed an opportunity to uncover the scam and it is not responsible for Mr T's loss.

My final decision

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T to accept or reject my decision before 14 January 2026.

Terry Woodham
Ombudsman