

The complaint

Mrs S complains that Revolut Ltd (Revolut) is refusing to refund her the amount she lost as the result of a scam.

What happened

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

In summary, Mrs S found an advertisement online for an investment company I will call "X". Mrs S provided her personal contact information and was contacted by X and an investment opportunity was explained.

X explained to Mrs S that if she invested £250, she would more than double her money. Mrs S agreed to make the payment and multiple other payments in relation to what she thought was a genuine investment.

As part of the investment process Mrs S was required to open an account with Revolut and payments were made from her existing account to her new Revolut account before being forwarded as part of the scam. Mrs S was also required to download screensharing software.

Having made multiple payments Mrs S lost contact with X and was unable to withdraw her funds.

Shortly after, Mrs S was contacted by an individual I will call "Y". He explained he could help make Mrs S more money and that it wouldn't be like the experience she had with X. Mrs S was again required to download screensharing software and to send funds to her Revolut account before sending them on as part of the scam.

Mrs S agreed to make multiple payments as advised by Y until she spoke to her other account provider on 28 March 2024 and the scam was uncovered.

The payments Mrs S made from her Revolut account included transfers to cryptocurrency exchanges, as well as exchanges within Revolut into cryptocurrency that was then withdrawn.

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 Mrs S'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 Mrs S's complaint relates to – namely, withdrawing the cryptocurrency and sending it on to the scammer. And so, I don't think her complaint in relation to the cryptocurrency withdrawals relates to an activity covered by us.

I am mindful that Mrs S deposited fiat currency to her 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 Mrs 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 Mrs S (through the provision of her 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 Mrs S's account were made and when the funds were converted into cryptocurrency. I can also look at payments Mrs S made directly to a cryptocurrency exchange.

Mrs S has disputed the following payments:

Scam 1

<u>Payment</u>	<u>Date</u>	<u>Payee</u>	<u>Payment Method</u>	<u>Amount</u>
1	12 July 2023	MP	Debit Card	£1,500
2	12 July 2023	Startrading.academy	Debit Card	£1,250
3	12 July 2023	Startrading.academy	Debit Card	£220
4	18 July 2023	Moonpay	Debit Card	£2,000
5	20 July 2023	Moonpay	Debit Card	£2,000
6	20 July 2023	Moonpay	Debit Card	£1,000
7	17 August 2023	Moonpay	Debit Card	£1,000
8	23 August 2023	Moonpay	Debit Card	£500
9	14 December 2023	Moonpay	Debit Card	£300

Scam 2

<u>Payment</u>	<u>Date</u>	<u>Payment Method</u>	<u>Amount</u>
1	21 March 2024	Exchanged to BTC	£1,990
2	21 March 2024	Crypto withdrawn	0.03465091
3	26 March 2024	Exchanged to BTC	£3,000
4	26 March 2024	Crypto withdrawn	0.06400000

Our Investigator considered Mrs S' complaint and didn't think it should be upheld. Mrs S

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.

Recovering the disputed payments made from Mrs S' account

I am only able to look at the possibility of recovering the payments made by card, as explained above I am unable to look at the recovery of the cryptocurrency withdrawals.

When payments are made by card the only recovery option Revolut has is to request a chargeback.

The chargeback scheme is a voluntary scheme set up to resolve card payment disputes between merchants and cardholders. The card scheme operator ultimately helps settle disputes that can't be resolved between the merchant and the cardholder.

Such arbitration is subject to the rules of the scheme, meaning there are only limited grounds and limited forms of evidence that will be accepted for a chargeback to be considered valid and potentially succeed. Time limits also apply.

Unfortunately, Mrs S made her complaint to Revolut outside of the allowed time to raise a chargeback and therefore Revolut has been unable to attempt a chargeback for the payments Mrs S has disputed.

Should Revolut have reasonably prevented the disputed payments?

I think it's most likely that Mrs S authorised the payments that were made from her account with Revolut, albeit on X and Y's instruction. So, the starting point here is that Mrs S 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 the payments were made. And if it had intervened, would it have been able to prevent the scam taking place.

The first payments made in relation to scam 1 were made directly to a known cryptocurrency exchange. These types of payments have increased risk associated with them, but the value of the payments was not so high that I would have expected them to have caused Revolut concerns that Mrs S may have been at risk of financial harm.

However, by the time payment 6 was made a second payment the same day had been sent to a known cryptocurrency exchange for a total of £3,000. I think this payment should have caused Revolut to have concerns and it should have intervened.

£3,000 was also exchanged into cryptocurrency during scam 2 on 26 March 2024. Given the value of this payment and that it was being exchanged into cryptocurrency I think this payment should also have prompted Revolut to intervene.

I have also looked at whether Revolut should have intervened when Mrs S received

payments into her Revolut account. This type of payment carries very little risk, and I don't think it was unreasonable that these payments didn't cause Revolut any concerns.

Although I would have expected Revolut to intervene when the payments identified above were made, I don't think an intervention would have made a difference. I will explain why.

Before any of the disputed payments were made Mrs S attempted a payment in relation to the scam and was directed to Revolut's in-app chat facility. Mrs S was required to provide a real-time photo of herself to prove her identity and was questioned about the payment she was making. Mrs S confirmed:

- She had not downloaded any screen sharing applications, including the specific application she had downloaded.
- She was not advised to create a Revolut account after learning about an investment
- She had not been advised to create a Revolut account for investment purposes
- It was her attempting the transactions
- She wanted to buy cryptocurrency for herself to save money and for budgeting
- The main reason she opened the Revolut account was not to transfer to an external account
- She decided on which crypto platform to use on her own having carried out her own research

I am satisfied that it was Mrs S engaging in the above conversation as she provided real time photos of herself four times throughout the conversation.

In addition to the questions Mrs S was asked and the information she provided above Revolut also intervened and displayed warning screens when she made cryptocurrency withdrawals in relation to scam 2.

Mrs S was provided with an initial screen explaining "Something doesn't look right – your transaction has been flagged by our system as a potential scam..."

Mrs S was then required to answer several questions and was warned about the importance of answering the questions truthfully. "Please answer truthfully – if your being scammed the fraudster may ask you to hide the real reason for this payment"

Mrs S went on to confirm she had not downloaded any software and was moving funds to her own existing wallet.

Mrs S was then provided with further warning screens that included the following:

"Don't give anyone remote access – Scammers may ask you to install software to view your screen. Uninstall any software giving them control"

"Never ignore these warnings – Scammers will tell you to ignore warnings. If you've been told to ignore these red flags, then stop, it's a scam"

Mrs S was then provided with a further warning that she had to agree to before the transfer could be made. It stated:

"Revolut has warned me that this transfer is suspicious, and I understand the risk of losing my crypto funds"

While I am unable to tell Revolut to refund the funds lost via the withdrawals, I must consider all the surrounding circumstances when deciding on Mrs S's complaint. With everything

considered, Mrs S received multiple warnings throughout the scams and provided incorrect information to Revolut several times.

Providing incorrect information to Revolut would have made it very difficult for it to uncover the scams that took place. Even if Revolut had intervened further than it did, I don't have enough to say that Mrs S would have provided any more honest answers to the questions it may have asked her.

With the above in mind, I don't think Revolut missed an opportunity to prevent the scams and it is not responsible for Mrs S' loss.

I appreciate Mrs S has told us about her health conditions and vulnerabilities at the time of the scams, and while I have considered these, they don't make a difference to the outcome I have reached on her complaint.

My final decision

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs S to accept or reject my decision before 29 August 2025.

Terry Woodham
Ombudsman