

The complaint

Miss L complains that Revolut Ltd won't refund her the money she lost in an investment scam.

Miss L is being represented by a professional representative.

What happened

The circumstances surrounding this complaint are well known to the parties, so I have summarised what I consider to be the main points.

Miss L says she saw an advert for an investment company on a popular social media website and was interested by it. She says she clicked on a link in the advert and was taken to a screen where she left her contact details.

She did some research into the investment company, which had a name similar to a legitimate cryptocurrency platform. She says she mistook the investment company name for the name of the legitimate platform and therefore all her research suggested the company was legitimate.

She says she received a call back and was impressed by the caller's general presentation of the investment. Miss L could hear background noise that sounded like a busy office. She was told she would have a person managing her investments for her, which attracted her because she didn't have any investment experience.

Based on her research and interactions with the company, she decided to invest. She created an account with the investment company, going through know your customer and anti-money laundering checks, which gave her further confidence in the company's legitimacy.

Miss L was asked to create an account with a cryptocurrency provider, to convert her money into cryptocurrency, which she would then send to her trading account with the investment company.

Miss L made the following payments to that account from Revolut:

Date and time	Amount	Payment type
06/02/2023 19:30	£990.00	Debit card payment to own cryptocurrency account
14/02/2023 17:27	£2,500.00	Debit card payment to own cryptocurrency account
15/02/2023 22:43	£2,500.00	Debit card payment to own cryptocurrency account
23/02/2023 19:31	£2,000.00	Debit card payment to own cryptocurrency account
27/02/2023 19:59	£2,000.00	Debit card payment to own cryptocurrency account

28/02/2023 20:40	£1,300.00	Debit card payment to own cryptocurrency account
13/03/2023 17:22	£2,500.00	Debit card payment to own cryptocurrency account
27/03/2023 20:22	£1,100.00	Debit card payment to own cryptocurrency account
05/04/2023 15:36	£1,300.00	Debit card payment to own cryptocurrency account
04/05/2023 20:45	£2,500.00	Debit card payment to own cryptocurrency account
18/05/2023 18:43	£2,000.00	Debit card payment to own cryptocurrency account
26/06/2023 14:30	£3,900.00	Debit card payment to own cryptocurrency account

The value of her investment appeared to increase steadily and she was kept updated, which further reassured her. In March 2023, she says the profits on her investments appeared to be around US\$107,000.

By the end of March or early April, she noticed that her profits began to decrease. She says the value of her investment then plummeted. She was persuaded to make a further payment on 5 April 2023 for £1,300, to pay for insurance, which she was told would prevent further losses. Further payments were made to the account in order to invest further to help recover her earlier losses.

In the final week of June 2023, she says she tried to withdraw money from the account but was told that due to account inactivity, the account would be closed. She was asked to pay “taxes” to release her funds. She realised she had been scammed around this time.

Miss L says Revolut should have intervened to prevent the transactions because they were high-value payments, to a cryptocurrency platform, made from a newly opened account and ought to have caused Revolut concern. If Revolut had intervened, she says it would have identified the scam, and she wouldn’t have invested.

Revolut says Miss L’s account was opened on 30 January 2023 and the main purpose for opening the account Miss L gave was “transfers”. It says it was difficult for it to ascertain whether the payments were out of character for the account, because they started so soon after the account opened and so there was little account history to compare against.

It says she authorised all the transactions, which were authenticated with 3DS features. It also says she didn’t undertake sufficient research into the investment company. Revolut considers the payments couldn’t have been made without Miss L’s consent or negligence. It believes Miss L was lured into this investment on the basis she was told she couldn’t lose her money, but a little research would have shown cryptocurrency was a risky investment.

Revolut says it sent Miss L an educational email about scams on 19 May 2023, which it says shows that it sought to educate and inform Miss L about scam risks. This email contained content that warned about investment in cryptocurrency and adverts on social media promising unrealistically high or fast investment returns

Our investigator said the account was newly opened and the account opening purpose was given as transfers, but the only transactions on the account were to buy cryptocurrency. Each payment left the account balance low, until it was topped up again and another payment was made. £5,000 was paid over two transactions on 14 and 15 February 2023. He

thought Revolut should have intervened on the third payment. The payments were made a day apart and for an amount totalling £5,000. Each transaction more or less drained the account, leaving only around £5. The transactions were also made to a well-known cryptocurrency exchange.

He thought that if Revolut had intervened at that point, Miss L would have most likely been open and honest and would have told Revolut she was sending money to an investment to pay for tax in order to release her money. This ought to have caused Revolut to block the transaction.

The investigator thought Miss L should bear equal responsibility for her losses. He thought the level of returns she was told she was receiving on her investment was unrealistic and should have caused her concern. This was also the case when she was told she needed to buy insurance, after her investments fell in value.

Miss L accepted the investigator's recommendations, but Revolut didn't.

Revolut said the money was not sent to the scammers from Miss L's Revolut account, but from cryptocurrency accounts she owned and controlled.

It said that because it is an EMI, customers often use it to make payments and transfers that they wouldn't otherwise make from their banks. This is especially the case since some banks started restricting customers from sending money to cryptocurrency exchanges. Sending money to cryptocurrency exchanges is now a common activity for Revolut accounts.

The Financial Ombudsman Service's recent reliance on R (on the application of Portal Financial Services LLP) v FOS [2022] EWHC 710 is misconceived and amounts to a legal error.

Revolut did not advise Miss L to make the transactions and didn't need to concern itself with the wisdom of such transactions.

It said we should consider the role of other financial institutions in the transactions, for example whether they took steps to warn Miss L.

I issued a provisional decision on this complaint and said:

"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.

But, taking into account relevant law, regulators rules and guidance, relevant codes of practice and what I consider to have been good industry practice at the time, I consider it fair and reasonable in February to June 2023 that Revolut should:

- *have been monitoring accounts and any payments made or received to counter various risks, including preventing fraud and scams;*
- *have had systems in place to look out for unusual transactions or other signs that might indicate that its customers were at risk of fraud (among other things). This is particularly so given the increase in sophisticated fraud and scams in recent years, which firms are generally more familiar with than the average customer;*
- *have acted to avoid causing foreseeable harm to customers, for example by maintaining adequate systems to detect and prevent scams and by ensuring all aspects of its products, including the contractual terms, enabled it to do so;*

- *in some circumstances, irrespective of the payment channel used, have taken additional steps, or made additional checks, or provided additional warnings, before processing a payment – (as in practice Revolut sometimes does including in relation to card payments);*
- *have been mindful of – among other things – common scam scenarios, how the fraudulent practices are evolving (including for example the common use of multi-stage fraud by scammers, including the use of payments to cryptocurrency accounts as a step to defraud consumers) and the different risks these can present to consumers, when deciding whether to intervene.*

Having considered everything, I'm not persuaded there is sufficient evidence for me to uphold Miss L's complaint.

Miss L has provided copies of some emails between her and the investment company. These emails refer to paying taxes to release funds, so there is some evidence Miss L invested with this company and of the company asking her to pay taxes to release her funds, which is indicative of a scam. But there is very limited evidence to show how much she invested in this scam or that all the payments listed above were part of a scam.

Miss L has provided a copy of a screenshot from her cryptocurrency wallet, showing each card payment from Revolut being received into her cryptocurrency wallet.

She has also provided a copy of a screenshot that appears to be from her account with the fake investment company. This screenshot shows one deposit into her investment account, on 27 March 2023 for €1,182.83, which it appears might correspond with a payment from Revolut to the cryptocurrency wallet, on the same day for £1,100. But I have no evidence showing a corresponding payment leaving the cryptocurrency wallet.

The same screenshot then shows three attempted withdrawals on 19, 20 and 28 June 2023, in sequential order but there is no evidence of other payments into Miss L's account with the scam trading company. Since Miss L says there were three further deposits into the scam trading account between 27 March 2023 and the first attempted withdrawal on 19 June 2023, I would have expected those to be shown on the same screenshot. So, it isn't clear from that evidence that any further deposits were made into the investment account other than, perhaps, the 27 March 2023 deposit. There is no supporting evidence to show the transactions before 27 March 2023 resulted in money being sent to the trading account.

Miss L has also provided two emails from her cryptocurrency platform confirming the withdrawal of Bitcoin from her wallet, on 4 May 2023 and 8 May 2023. This evidence indicates that 0.10389787 Bitcoin was withdrawn on 4 May 23 and another withdrawal of 0.08607237 took place on 8 May 2023, but there is no corresponding evidence of a deposit into her trading account on either date, for example on the screenshot showing her investment account activity.

I've asked Miss L for evidence that the money sent to her cryptocurrency wallet has been sent on from her wallet to her investment account, but she has not provided any further evidence.

Based on what I have, I'm not presently persuaded there is enough evidence to show that the payments listed above were all part of a scam, how much was invested into the trading account, whether any money was able to be withdrawn, or to show Miss L has lost the amount she is claiming for.

On balance, based on the limited evidence I've seen so far, I'm not persuaded I can safely conclude that Miss L's complaint should be upheld."

Revolut has not commented on my provisional decision.

Miss L's representative responded and provided me with some further evidence. It said Miss L sent two transactions from her cryptocurrency account and has provided withdrawal confirmations for those transactions. This information related to the two withdrawals from her cryptocurrency account on 4 and 8 May 2023 mentioned above.

It provided a diagram showing the movement of the funds from Miss L's cryptocurrency account through other wallets and on to other cryptocurrency exchanges. The movement of money through those other wallets, some of which contained several million pounds worth of cryptocurrency, is indicative that they were operated by fraudsters.

It considers the evidence shows Miss L lost money to a scam.

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 have come to the same overall conclusion and for largely the same reasons.

The evidence showing Miss L has suffered a loss as a result of a scam and how much that loss is, remains problematic in this case, in my view.

Miss L has made a complaint to Revolut claiming for £24,590 that she sent to her cryptocurrency account in a series of 12 transactions from her Revolut account. She says the money was moved on from her cryptocurrency account to scammers, in the belief she was funding an investment account. Her representative says Miss L sent two transactions from her cryptocurrency account and she has provided withdrawal confirmations from her cryptocurrency account. It isn't clear if her representative means she only sent two transactions in total from her cryptocurrency account or she only has evidence of withdrawal for two transactions. I've assumed the latter.

The evidence provided shows withdrawals from Miss L's cryptocurrency account for two amounts, with an approximate value of £4,200 in May 2023. Subsequently, these funds appear to have been moved on through various wallets which might have been controlled by fraudsters.

The evidence doesn't show that these withdrawals were made as part of this scam, in the belief they were being sent to her fake investment account. Miss L has provided a screenshot from her fake investment account, which doesn't show these amounts "crediting" her fake account, as I would have expected. There is only evidence of one deposit into the fake investment account, on 27 March 2023 for €1,182.83.

So, while I have good evidence that payments totalling £24,590 were made from Revolut to Miss L's cryptocurrency account, I only have evidence that around £4,200 was withdrawn from her cryptocurrency account and little evidence it went to her fake investment account because it isn't recorded as having been deposited into her fake investment account on the investment account screenshot I've been provided with.

Overall, while I do have sympathy for Miss L in the circumstances she has described, I'm not persuaded there is sufficient evidence for me to safely conclude that Miss L has suffered the losses described. There is too little evidence to show that all of the transactions were

connected with this scam, or that all Miss L's money has been paid out of her cryptocurrency account, or that the money that was paid out of her cryptocurrency account was sent on to the fake investment account.

In any event, I'm also not persuaded that any interventions were necessarily warranted up to and including the payments on 4 and 8 May 2023. None of the payments were for particularly large amounts, nor were the payments made in quick succession. There were two payments made on consecutive days on 14 and 15 February 2023, but I don't consider that would have been sufficient to have reasonably caused Revolut to intervene. Those payments were made over a week after the previous transaction, were relatively low value and there was over a week until the next transaction. I'm not persuaded the fact that two transactions took place on consecutive days is sufficiently suspicious that Revolut ought to have intervened.

A further two transactions took place on consecutive days, some days later on 27 and 28 February, for smaller amounts, after which transactions became less frequent. Overall, I don't think there was a particularly clear or suspicious pattern of transactions that emerged that would have reasonably warranted intervention from Revolut, so I don't think it missed a reasonable opportunity to intervene here.

My final decision

I don't uphold Miss L's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss L to accept or reject my decision before 2 September 2025.

Greg Barham
Ombudsman