

## The complaint

Mr M is unhappy that Revolut Ltd won't refund transactions that he made as part of a scam.

## What happened

In 2024 Mr M encountered someone on social media he had mutual connections with. He saw posts about making quick profits through a cryptocurrency investment, turning £500 into £5,000 within five days, and wanted to get involved with the opportunity. After contacting the profile Mr M was shown how to exchange his funds into cryptocurrency using Revolut, and then instructed to withdraw it to a specified wallet elsewhere. So he exchanged £500 into cryptocurrency on 2 June 2024 and sent it to what he thought was the investment platform.

After five days, and expecting to withdraw the profits, Mr M was told he needed to pay £1,000 for a 'private key' to release his balance – so he did. Subsequently further costs and charges were demanded from Mr M before his profits could be paid, with penalties for not doing so within a certain timeframe. Over the next week he performed seven more exchanges into cryptocurrency on his Revolut account to cover those costs, equating to around £13,800.

When Mr M could no longer afford the payments requested he spoke to a family member, who recognised it was a scam. He then contacted Revolut to raise his concerns. It responded to say adequate warnings had been provided when the payments were made – so it didn't think any mistakes had been made. Mr M wasn't happy with the outcome and so referred his complaint to the Financials Ombudsman Service for review.

One of our investigators considered everything, and thought the payment services that occurred on the e-money account were within our jurisdiction, but the cryptocurrency withdrawals weren't regulated. The investigator didn't think Revolut could have done more to prevent the loss, as it had intervened with warnings during the unregulated part of the process – but those unfortunately hadn't resonated with Mr M.

Mr M didn't accept the investigator's opinion, and in summary argued:

- The pattern of frequent, high value and rapidly escalating transactions was clearly indicative of a scam, and Revolut should have intervened earlier than the investigator has suggested. An adequate transaction monitoring system would have produced alerts at multiple stages.
- Revolut should have been looking out for signs of deviation from normal customer behaviour, like sharing screenshots or a sudden interest in cryptocurrency.
- Revolut would have been well aware of the risks of cryptocurrency related scams by this point, and many high street banks had implemented controls on those transactions.
- The warnings were easily bypassed, and not effective as the scammer was able to coach him through them. Revolut should have escalated things for further review in

the circumstances, and an agent ought to have questioned him about the transactions. That would have uncovered what was happening.

- He was under sustained psychological manipulation and pressure from the scammer, as well as the emotional stress and fear of having borrowed the money. He had also suffered a traumatic life event around the time of the scam. That meant he was vulnerable, and the investigator's view fails to sufficiently acknowledge that.
- Revolut should have been able to cross-reference the destination wallets with those of known or suspected scammers held in databases.
- Responsibility for the loss can't lie with him alone, and we've failed to acknowledge the imbalance between his inexperienced as an investor and the advanced fraud detection tools Revolut had at its disposal.
- Revolut failed to engage appropriately following the scam. Mr M sent emails concerning his claim that weren't acknowledged and had a frustrating interaction via the chat function when checking if documents had been received.

The investigator considered Mr M's further comments, and didn't think Revolut questioning him using the chat function would have made a difference. She concluded that the coaching Mr M was experiencing would have continued, and so the transactions would still have gone ahead.

As no agreement could be reached, the complaint was passed to me (an ombudsman) for a final decision on the fair outcome.

### **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've decided not to uphold this complaint. I know this is not the answer Mr M was hoping for and so this will come as a disappointment. I was really sorry to hear about how seriously this scam affected him at an already challenging time. But I need to decide whether Revolut can fairly and reasonably be held responsible for Mr M's loss. Overall, I've decided that it can't be. I'll explain why.

There's a question mark over the extent of our jurisdiction in these matters – cryptocurrency services aren't activities we can consider, and there is limited regulatory oversight of those processes. So the withdrawals to the scammer's wallet don't fall within our remit. If the purchases of cryptocurrency Mr M made using his Revolut e-money account do amount to transactions we can review, then the starting position in law is that he's assumed liable given he authorised them (albeit under the influence of a scammer).

I've also taken into account the regulator's rules and guidance; relevant codes of practice, along with what I consider to have been good industry practice at the time. I've then applied Revolut's terms for the account, which say it can refuse or delay payments and make enquiries in order to meet its legal and regulatory requirements. Those together mean I consider Revolut should fairly and reasonably have been on the lookout for the possibility of fraud at the time, and intervened if there were clear indications its customer might be at risk.

Revolut has a difficult balance to strike in how it configures its systems. It needs to detect unusual activity, or activity that might otherwise indicate a higher than usual risk of fraud, whilst not unduly hindering legitimate transactions. There are many millions of payments

made each day, and it would not be possible or reasonable to expect firms to check each one. In situations where firms do (or ought to) carry out checks, I would expect that intervention to be proportionate to the circumstances and risks surrounding the payment. Revolut didn't intervene when Mr M was using his e-money account, but it did carry out automated checks and provide warnings during the cryptocurrency withdrawal process. So I've considered those checks when thinking about what might have had happened if proportionate intervention had been carried out at a different point.

Mr M has argued that there was a pattern of frequent, high value and escalating payments made to cryptocurrency – and that was strongly indicating he being scammed. This account had been open a couple of months by the time the disputed transactions were made, and had really only been used for sporadic foreign currency payments. So Revolut didn't have much prior usage data to go on when deciding what was typical for Mr M, and whether this marked a behavioural change. These types of accounts are also frequently opened for intermittent use on things like buying cryptocurrency and spending abroad. So I don't agree that Revolut ought to have been on notice he was at risk of financial harm prior to 12 June 2024. The cryptocurrency purchases up until that point had been for around £1,000 or less, so not concerningly high in value, and were spaced out time wise (with a day or several in between them).

On 12 June 2024 Mr M purchased £2,350 worth of cryptocurrency, which was an increase on the previous amounts – but not a drastic escalation, to the extent that it should have worried Revolut. But when a second transaction was made for the same amount around 10 hours later I think that was the first sign that Mr M might be at an increased risk of fraud. That did represent an escalation on the previous cryptocurrency related activity, so a check was warranted. But the timings of the transactions didn't suggest it was rapidly escalating situation, and there wasn't a strong scam pattern to the payments. So I don't consider Revolut ought to have been concerned enough that it needed to speak with Mr M directly. Automated checks were a proportionate response to that activity.

I appreciate that Mr M doesn't think Revolut's automated process was sufficient, given he was easily coached through the questions and able to bypass the warnings. He's correct that firms should be alive to the possibility that customers might be being coached. But Revolut took steps to guard against that – by stressing the importance of responding honestly, and warning him that if he was being guided on how to answer or told to lie then he was likely dealing with a scammer. Revolut also showed him warnings that included the key features of these scams. Given the answers provided during the checks would have reassured Revolut, I'm not concluding it needed to do more in the circumstances.

I take Mr M's point that being able to take a screenshot of the questions assisted the coaching and should have been a sign to Revolut that there could be a scammer involved behind the scenes. Revolut has suggested that software was in place at the time which should have blocked that happening, but clearly that didn't work in this case. Had screenshots been prevented then I think it's likely Mr M would have just relayed the questions a different way (for instance by typing them out) and still be guided on how to answer. I accept that sort of activity occurring on an account is a potential risk factor, but it isn't currently an industry standard to factor it into controls.

The activity after 12 June 2024 tapered off, rather than escalating further – with £3,000 worth of cryptocurrency purchased the following day (down from £4,700 on 12 June), and then two transactions for £2,000 on separate days after that. So, I don't consider there was another later point Revolut should have intervened to carry out further checks. That means I haven't found it should have prevented the loss Mr M incurred.

Mr M was certainly vulnerable during the scam, particularly in light of the devastating news

he received towards the end of the period in question. I also haven't underestimated the pressure he was under and social engineering he was subjected to. Overall I accept that there were multiple factors affecting Mr M's judgement, and I'm not suggesting this was his fault – he was the victim of a cruel and sophisticated scam. I'd expect Revolut to be on the lookout for signs its customer was vulnerable, and proceed with extra care if that was the case – but I don't think it would have reasonably been alerted to Mr M's situation when processing the transactions. So I can't fairly hold Revolut responsible for not doing more to account for his vulnerability at the time.

The funds involved, once converted into cryptocurrency, were withdrawn to a scammer's wallet. Revolut has said those aren't reversible, and there is no mechanism for the recovery of cryptocurrency transactions. Mr M has spoken about how Revolut should incorporate information on databases about known or suspected scammer's wallets into its risk assessments, and maybe it does – but there isn't currently any regulatory oversight or standards in place for that sort of monitoring. Our service has no jurisdiction over cryptocurrency activities either.

Mr M is unhappy with the service he received from Revolut in connection with his claim – and he has a point. He emailed to challenge the outcome and chased when he didn't get a response to that five days later. The regulator sets the timeframe within which Revolut should answer complaints, and that was adhered to – but acknowledging the emails would have stopped Mr M from wondering what was happening and going to the effort of chasing. I've also seen a conversation in the in-app chat on 11 July 2024 where it's clear the agent doesn't understand what's being asked, so Mr M gives up. That means Revolut did cause its customer some inconvenience and frustration at an already stressful time. I've balanced that against the fact Mr M knew Revolut's stance on his claim while this was happening, he was just trying to dispute it, and the scam itself will have been responsible for the majority of his distress. So, overall, I don't think the impact Revolut caused here amounts to a financial award of compensation.

Having considered everything, and whilst I recognise that Mr M has sadly lost this money to a callous scam, I don't think Revolut could reasonably have been expected to prevent it. I also appreciate Mr M was more susceptible to the scammer's tactics, but I don't consider Revolut was sufficiently on notice the fraud was occurring, or that it missed signs of his vulnerability. So, I'm not directing Revolut to refund the stolen funds.

### **My final decision**

I've decided not to uphold Mr M's complaint about Revolut Ltd.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 11 March 2026.

Ryan Miles  
**Ombudsman**