

The complaint

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

Mr Q is being represented by a third party. To keep things simple, I will refer to Mr Q 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 Q has told us that he saw a TV advertisement about an investment opportunity with a company I will call "X" that appeared to be endorsed by a celebrity. Mr Q registered his interest and was contacted by X to make an initial payment with the promise that his investment would grow.

After making several payments Mr Q attempted to make a withdrawal from the investment, but he was told there was an issue and was instructed to setup an account with a specific cryptocurrency exchange.

X accessed Mr Q's device remotely after instructing him to download a screen sharing application, and he was told that £2,000 would be withdrawn. However, Mr Q was then told he would have to make a further payment of £5,000, after which both amounts would be transferred to his Revolut account by the end of the day.

Mr Q then received a further email stating the transfer attempt had failed and that he would have to make a further payment. Mr Q says X then accessed his device and made the payment.

Mr Q then reached out to X and realised he had fallen victim to a scam.

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 Q'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 Q'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 Q 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 Q'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 Q (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 Q's account were made and when the funds were converted into cryptocurrency.

Mr Q made the following exchanges from within his Revolut account to cryptocurrency that was later withdrawn as part of the scam.

<u>Payment</u>	<u>Date</u>	<u>Exchange</u>	<u>Amount</u>
1	23 December 2024	Exchange to BTC	£500
2	6 March 2025	Exchange to USDT	£4,860
3	6 March 2025	Exchange to BTC	£4,800
4	6 March 2025	Exchange to USDT	£2,200
5	8 March 2025	Exchange to USDT	£9,000
6	8 March 2025	Exchange to BTC	£1,050

Our Investigator considered Mr Q's complaint and didn't think it should be upheld. Mr Q didn't agree, 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 Q has fallen victim to a cruel scam. The evidence provided by both Mr Q and Revolut Ltd sets out what happened. What is in dispute is whether Revolut should refund the money Mr Q lost due to the scam.

Recovering the payments Mr Q made

Mr Q exchanged funds from within his Revolut account into cryptocurrency. These funds remained within his control until they were forwarded as a result of the scam (via cryptocurrency withdrawals), therefore Revolut would not have any options available to it to recover the exchanges.

Should Revolut have reasonably prevented the payments Mr Q made?

It has been accepted that Mr Q authorised the payments that were made from his account with Revolut, albeit on X's instruction. So, the starting point here is that Mr Q 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 Q made the payments. And if it had intervened, would it have been able to prevent the scam taking place.

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 Q's account.

Exchanges to cryptocurrency within the Revolut platform

The first amount Mr Q exchanged into cryptocurrency was for a relatively small value. However, payment 2 and other payments that followed were for more significant values. Considering the increased risks associated with cryptocurrency related payments I think Revolut should have had concerns and it should have intervened.

Although I don't think it would have made a difference if Revolut did intervene when Mr Q made the exchanges, I will explain why:

Revolut did intervene on several occasions when Mr Q made withdrawals related to the scam, and Mr Q was required to answer multiple questions. Mr Q confirmed on several occasions:

- He understood that investments promoted on social media are almost always scams.
- He discovered the investment opportunity from via a friend or a family member
- He understood that if he was being pressurised into making the payment he was likely being scammed
- He was not following any instructions
- He understood that he was investing in a product that offered high returns in a short period of time he was likely being scammed.
- The transactions were going to his own account
- He understood that it was important to perform independent research before investing
- He had done Crypto before.
- He had not been asked to install any software.

Mr Q then understandably received warnings based on the information he had provided and was given further time to consider his payments before they were released.

Mr Q was not truthful in the answers he provided to Revolut. He had not found the investment via a friend or family member, he had downloaded screensharing software and he had been following instructions.

With the above in mind, I don't have enough to say that Mr Q would have provided any more honest answers had Revolut intervened further than it did. Mr Q has said that a human

intervention would have brought the scam to light. But even if I was to say Revolut should have provided a human intervention, because of the type of account Mr Q had with Revolut I would have at most expected Revolut to have directed Mr Q to its in-app chat facility for further questioning.

Had this happened I think it's likely Mr Q would have answered Revolut's questions in the same way he did when making the cryptocurrency withdrawals.

Providing inaccurate information would and did make it very difficult for Revolut to uncover the scam that was taking place.

Overall, I don't think Revolut missed an opportunity to uncover the scam and it is not responsible for Mr Q'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 Q to accept or reject my decision before 16 January 2026.

Terry Woodham
Ombudsman