

## **The complaint**

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

Mr M is being represented by a third party. But to keep things simple, I will refer to Mr M 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 M was contacted in October 2024 via a messaging app about an opportunity where he could earn an income by reviewing and optimising apps using an online platform.

As part of the process, Mr M was required to send funds using cryptocurrency. To start with, Mr M deposited £50 and was able to withdraw a commission which made it appear legitimate.

Mr M continued to send funds by purchasing cryptocurrency which he then sent to a wallet in his name, and then on to the scammer. However, when he wanted to withdraw all his profits, he was asked to make more payments first and realised he had fallen victim to a scam.

Mr M complained to Revolut who said his claim had been rejected and their attempt at recovery had failed.

Mr M remained unhappy and so brought his complaint to our service.

Our Investigator considered Mr M's complaint and didn't think it should be upheld. He explained that the transfer of the cryptocurrency wasn't something our service could consider as it fell outside of our jurisdiction. In relation to the deposits accepted, the use of the account to exchange funds into cryptocurrency, and the payments that were then made as a result of the scam, our Investigator was of the opinion that Revolut should have provided a better intervention. However, even if they had done so, our Investigator was of the view that Mr M would have misled them in order to make the payments.

Mr M 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.

Having done so, I agree with the outcome reached by the Investigator. I know this will come as a disappointment to Mr M, so I want to explain why I've reached the decision I have.

I'm aware that I've summarised this complaint briefly, in less detail than has been provided, and in my own words. No discourtesy is intended by this. Instead, I've focused on what I think is the heart of the matter. If there's something I've not mentioned, it isn't because I've ignored it, I haven't. I'm satisfied I don't need to comment on every individual point or argument to be able to reach what I think is the right outcome. Our rules allow me to

do this. This simply reflects the informal nature of our service as a free alternative to the courts.

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

It may help if I start by explaining that 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 M'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 M'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 M deposited into 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 M'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 M, 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 M's account were made and when the funds were converted into cryptocurrency. I can also look at payments Mr M made directly to a cryptocurrency exchange.

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

#### *Should Revolut have reasonably prevented the payments Mr M made?*

It has been accepted that Mr M authorised the payments that were made from his account with Revolut, albeit on the instruction of the scammer. So, the starting point here is that Mr M 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 M made the payments. And if they had intervened, would they have been able to prevent the scam from taking place. I will look at each type of payment in turn.

In broad terms, the starting position in 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 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 that when the payments were made, 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 their 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 their products, including the contractual terms, enabled them 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.

In this case, I can see that Revolut recognised that Mr M might be at risk of financial harm from fraud as he was making payments to a cryptocurrency platform. While they did intervene for some transactions, I don't think any further proportionate intervention would have prevented the loss. I say this because I can see that Mr M was provided with warnings but gave Revolut inaccurate information.

Revolut stopped the first payment for £100. Mr M confirmed that he was completing the transfers by himself and that nobody was assisting him. When asked why he was making the payments Mr M said he was transferring money to an account he held with another bank.

Based on the answers given, Mr M was then provided with further questions and warnings. He advanced through all of the warnings given and proceeded with the payment which was released after a three-hour checking period had expired.

For one of the cryptocurrency withdrawals made on 25 October, Mr M advanced through the same warnings he'd received before, and when asked whether he was investing said he wasn't. He once again said he was paying another account of his and after reviewing all of the warnings the payment was released.

I can also see there were warnings provided by Revolut that resulted in Mr M cancelling some of the payments he was trying to make.

For a payment for £1,400, once again Mr M said he was completing the transaction by himself and that he was moving the funds to his account with another bank. The payment was again held for three hours and during this time, Revolut made contact with Mr M via their in-app chat to obtain more information. A phone call was also made to Mr M, and during this call he asked for the payment to be cancelled.

When Mr M tried to make a cryptocurrency withdrawal on 25 October, he answered the same questions and for this withdrawal said that he was investing. Because of this he was then asked questions and given warnings relating to investment scams. He confirmed he wasn't following any instruction and that he hadn't been offered high returns within a short

period of time. This transaction was again held for three hours and in this time Mr M decided to cancel it.

Another two cryptocurrency withdrawals were stopped on the same day, where Mr M again said they were for investments. These two prompted Revolut to contact Mr M via the chat function, and Mr M cancelled both.

No further interventions were carried out by Revolut.

Having considered everything, while I appreciate Mr M was following what he thought was a legitimate job process, and while I'm really sorry he's been the victim of such a cruel scam, the information he provided Revolut prevented them from identifying that he was falling victim to a job scam.

Despite this, Revolut did provide warnings that were tailored to the reason he gave for the payments. Mr M failed to respond accurately to the warnings he was given and proceeded with the transfers. Even after receiving warnings and cancelling previous transactions suggesting he understood the risk, he still continued to send money to the scammer.

While I don't have evidence of the exact conversations that took place between Mr M and the scammer, I find it most likely that he was being guided by them. Therefore even if Revolut had continued to intervene, I find it most likely that Mr M would have found a way to complete the transactions.

Because of this, I can't fairly and reasonably hold Revolut responsible for his loss.

#### *Vulnerability*

I'm sorry to hear of the vulnerabilities Mr M was experiencing at the time this scam took place. I want to assure him that I have taken the information provided very seriously. When we consider vulnerability, we have to look at what the business would have known at the time the scam took place, and if they weren't aware of any vulnerabilities, whether anything happened that should have raised concern.

While I acknowledge that Mr M was vulnerable, I haven't seen anything to suggest that Revolut were aware of his circumstances at the time, and I haven't seen anything which I believe should have raised any concern with them while he was completing the transactions. Because of this, I'm not able to say that Revolut should have done anything differently in relation to Mr M's vulnerabilities.

#### *Recovering the payments Mr M made*

Mr M made payments from his Revolut account to another account held in his name and then having converted his funds to cryptocurrency moved the funds to the scammer. The accounts Mr M moved the funds to were in his own name, so if any funds did remain in those accounts they would remain within his control.

With the above in mind, I don't think Revolut had any reasonable options available to it to recover the payments Mr M made.

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

#### **My final decision**

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 24 February 2026.

Danielle Padden

**Ombudsman**