

The complaint

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

Mr M is being represented by a third party. 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 has explained that he was approached by an individual I will call (X) on social media offering assistance in earning additional money by investing with a company I will call (Y).

Having had conversations with X Mr M was contacted by Y and an account was opened for him. Mr M funded his investment from his savings and taking several loans.

Everything appeared to be going well until Mr M tried to make a withdrawal from the investment and was constantly asked to make further payments first. At this point Mr M 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 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 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 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 (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 M's account were made and when the funds were converted into cryptocurrency.

Mr M made the following exchanges from within his account with Revolut before withdrawing the cryptocurrency in relation to the scam:

<u>Payment</u>	<u>Date</u>	<u>Payment</u>	<u>Amount</u>
1	1 May 2024	Exchanged to ETH	£6,630.67
2	7 May 2024	Exchanged to ETH	£9,750.99
3	8 May 2024	Exchanged to ETH	£3,705.37
4	13 May 2024	Exchanged to ETH	£7,166.98
5	16 May 2024	Exchanged to ETH	£5,175.23
6	17 May 2024	Exchanged to ETH	£5,382.54
7	11 May 2024	Exchanged to ETH	£4,192.92
8	20 May 2024	Exchanged to ETH	£1,132.25

Our Investigator considered Mr M's complaint and didn't think it should be upheld. Mr M disagreed, so this complain 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.

What is in dispute is whether Revolut should refund the money Mr M lost due to the scam.

Recovering the payments Mr M made

Mr M exchanged funds within his Revolut account into cryptocurrency. As it took further steps (cryptocurrency withdrawals) for those funds to end up in the hands of the scammer, any attempt to recover the payments would have no prospects of success.

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 X and Y's instruction. 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 it had intervened, would it have been able to prevent the scam taking place. I will look at each type of payment in turn.

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 on this occasion. So, I don't think it was unreasonable that Revolut didn't intervene when payments were made into Mr M's account.

Exchanges to cryptocurrency within the Revolut platform

Considering the value of the exchanges Mr M made in relation to the scam and the risk associated with cryptocurrency related payments, I think Revolut should have had concerns when Mr M made payment 1 and it should have intervened.

I think that a proportionate intervention would have been for Revolut to have discussed the payment with Mr M with a view to find out more about the background that led to the payment. Revolut could have done this for example, by directing Mr M to its in-app chat facility.

I can see that Revolut did intervene when the disputed payments were made.

When Mr M attempted to make payment 1 Revolut intervened and he was presented with multiple screens.

Mr M was warned:

"Something doesn't look right – your transaction has been flagged by our system as a potential scam. To continue we need to ask you some questions"

Mr M acknowledged the importance of providing truthful answers and confirmed he was not being guided by anyone.

Mr M was then asked why he was making the payment and selected the option *"something else"* despite the more accurate option *"as part of an investment"* being available.

Mr M was then provided with several warning screens. While these warnings may not have been entirely relevant to the scam Mr M was experiencing, I think that receiving the warnings should have caused Mr M to think more about how safe it was to make the payments.

Mr M then needed to agree to a risk agreement confirming he understood the risk he was taking when making the payment and that he had been warned that the payment was suspicious before the payment was processed.

When Mr M attempted to make a cryptocurrency withdrawal on 7 May 2024, he was presented with a similar process to that described above. But was also required to take part in a conversation via Revolut's in-app chat facility.

When Mr M was asked why he was making the payment he said:

"I am transferring ETH to my crypto wallet for holding because I think it will go up in price"

And confirmed:

“I am not being guided to make this transaction”

Mr M then provided screenshots of his cryptocurrency wallet held with a legitimate provider.

It's clear from the available evidence that Mr M did not provide honest answers to Revolut.

In addition to the above Mr M also took several loans to fund the investment. Mr M was not honest when he applied for the loans and told the providers that he needed the funds for “home improvements”. In my experience it would be very unlikely that the loan applications would have been successful if Mr M had provided the real reason for the loans, as loan providers rarely provide funds for investment purposes.

One of the loan provider's Mr M took a loan with even warned Mr M:

“Fraud Alert: If you have been encouraged to take out this loan for cryptocurrency or by someone on social media, please call us immediately and don't send any money to any third parties. You will be responsible for making the loan repayments in all circumstances.”

The warning presented by the loan provider was relevant to the scam Mr M was experiencing, and I think it should have caused Mr M to have concerns, yet he continued to take the loan and use the funds as part of the scam.

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

Mr M's representatives have said Revolut should have intervened further than it did and has pointed to several other decisions made by our service.

I also think Revolut could have intervened further than it did. But I don't have enough to say that Mr M would have been any more honest than he was on the other occasions Revolut intervened, or when he applied for the multiple loans that he used to fund the scam.

With the above in mind, 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

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 30 January 2026.

Terry Woodham
Ombudsman