

## The complaint

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

Mr D is being represented by a third party. To keep things simple, I will refer to Mr D 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 D tells us that he viewed a video online for a business I will call "X" advertising an investment opportunity, the opportunity offered substantial returns after making a relatively small investment. The investment appeared to be endorsed by a well-known celebrity.

Mr D completed an online form and received a call from a representative of X. X appeared very knowledgeable and genuine, and introduced Mr D to a professional looking trading platform.

Mr D started investing with a small payment he made from an account he held with another provider and could see his investment was growing. After making a second small payment on the advice of X, X encouraged Mr D to take part in another investment that required a total deposit of £100,000. Mr D agreed to invest and could see his account growing to around £700,000.

It was then explained to Mr D that he had made a trading error and would have to pay an additional fee to fix the error. X then liquidated the remaining assets leaving a significant balance in Mr D's account.

However, when Mr D attempted to withdraw the funds, he was asked to pay multiple other fees first. Mr D made various payments and was told a courier would deliver Mr D's funds to him and escort him to his bank to facilitate a transfer.

Mr D realised he had fallen victim to a scam when the courier didn't arrive, and X stopped communicating with him.

### *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 D'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 D'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 D 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 D'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 D (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 D's account were made and when the funds were converted into cryptocurrency. I can also look at payments Mr D made directly to a cryptocurrency exchange.

Mr D made the following payments in relation to the scam from his Revolut account:

<u>Payment</u>	<u>Date</u>	<u>Payee</u>	<u>Payment Method</u>	<u>Amount</u>
1	14 July 2023	Moonpay	Debit Card Declined	£0.00
2	14 July 2023	Moonpay	Debit Card Declined	£0.00
3	14 July 2023	Moonpay	Debit Card Declined	£0.00
4	14 July 2023	Moonpay	Debit Card Declined	£0.00
5	14 July 2023	Paybis	Debit Card Declined	£1,950.00
6	14 July 2023	Paybis	Debit Card Declined	£1,950.00
7	14 July 2023	Paybis	Debit Card Declined	£1,950.00
8	17 July 2023	Moonpay	Debit Card Declined	£0.00
9	17 July 2023	Moonpay	Debit Card Declined	£0.00
10	17 July 2023	Moonpay	Debit Card Declined	£0.00
11	17 July 2023	Moonpay	Debit Card Declined	£0.00
12	17 July 2023	Moonpay	Debit Card Declined	£0.00
13	17 July 2023	Moonpay	Debit Card	£0.00
14	19 July 2023	Crypto Withdrawal		0.08352475 BTC
15	20 July 2023	Spacekeep	International Transfer	€2,600
16	20 July 2023	Moonpay	Debit Card	£660.00
17	8 September 2023	Crypto Withdrawal		0.09367943 BTC
18	8 September 2023	Moonpay	Debit Card	£1,000.00

19	8 September 2023	Moonpay	Debit Card	£2,000.00
20	8 September 2023	Moonpay	Debit Card	£2,200.00
21	8 September 2023	Paybis	Debit Card Reverted	£1,800.00
22	8 September 2023	Moonpay	Debit Card	£1,800.00
23	18 September 2023	Crypto Withdrawal		0.09367943 BTC
24	18 September 2023	Coinbase	Debit Card	£1,000.00
25	19 September 2023	Moonpay	Debit Card Reverted	£500.00
26	21 September 2023	Moonpay	Debit Card Reverted	£1,000.00
27	21 September 2023	A Moonpay	Debit Card Declined	£19,000.00
28	21 September 2023	Spacekeep	Transfer Declined	£19,000.00
29	21 September 2023	Crypto Withdrawal	Failed	0.08857787 BTC
30	25 September 2023	Spacekeep	Transfer Declined	£18,000.00
31	25 September 2023	Spacekeep	Transfer Declined	£5,000.00
32	25 September 2023	Spacekeep	Transfer Declined	£5,000.00
33	25 September 2023	Crypto Withdrawal	Failed	0.08857091 BTC
34	25 September 2023	Spacekeep	International Transfer Declined	£5,000.00
35	25 September 2023	Spacekeep	International Transfer	€5,000.00
36	25 September 2023	Spacekeep	International Transfer	€17,500.00
37	11 October 2023	Spacekeep	International Transfer	€5,100.00
38	1 November 2023	Spacekeep	International Transfer	€10,200.00
39	8 November 2023	Spacekeep	International Transfer	€6,900.00
40	8 November 2023	Spacekeep	International Transfer	€22,000.00
41	8 November 2023	Spacekeep	Transfer Declined	£4,884.90
42	8 November 2023	Spacekeep	International Transfer	€5,700.00
43	11 December 2023	Spacekeep	International Transfer	€17,000.00
44	31 January 2024	Spacekeep	International Transfer Declined	€23,500.00
45	1 February 2024	Spacekeep	Transfer Declined	£19,800.00
46	2 February 2024	Penta Pacific Grp	Transfer Declined	£3,000.00
47	2 February 2024	Penta Pacific Grp	Transfer Declined	£3,000.00
48	2 February 2024	Penta Pacific Grp	Transfer Declined	£16,700.00
49	2 February 2024	Penta Pacific Grp	Transfer Declined	£3,000.00

Our Investigator considered Mr D's complaint and didn't think it should be upheld. Mr D 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.

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

#### *Recovering the payments Mr D made*

The successful payments Mr D made in relation to the scam were made via debit card, international transfer and crypto withdrawal. I have already explained above that I am unable to consider cryptocurrency withdrawals as they fall outside of our service's jurisdiction.

When payments are made by debit card the only recovery option available to Revolut is to request a chargeback. But the payments made by card were not made to the scammer directly. Instead, they were sent to legitimate cryptocurrency exchanges in exchange for cryptocurrency. As it took further steps for those funds to end up in the hands of the scammer and attempts to recover the payments would have no prospects of success.

When payments are made by transfer Revolut's recovery options are even more limited. I can see that Revolut did attempt to recover the funds from the receiving accounts but was unsuccessful.

With the above in mind, I don't think Revolut had any other reasonable options available to it to seek recovery of the payments Mr D has disputed.

*Should Revolut have reasonably prevented the payments Mr D made?*

It has been accepted that Mr D authorised the payments that were made from his account with Revolut, albeit on X's instruction. So, the starting point here is that Mr D 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 D 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 D's account.

*Payments and exchanges made from Mr D's account*

I think Revolut should have intervened when Mr D attempted payment 7. It was the third time in the same day that the payment had been declined. The payment was also being made to a known cryptocurrency exchange.

Mr D also made other large payments in relation to the scam that I think should have caused Revolut to have concerns that Mr D could have been at risk of financial harm and it should have intervened.

Revolut did intervene on multiple occasions during the time the scam was taking place.

At the beginning of the scam Revolut declined multiple payments and on 18 - 19 July 2023 chat conversations between Mr D and Revolut took place via Revolut's in-app chat facility. Mr D confirmed:

- He had not downloaded any screensharing software.
- He had not been advised to create a Revolut account after hearing about an investment opportunity.
- He was using a web browser to access his account as it was easier.
- He had found the cryptocurrency exchanges by carrying out research on the FCA.
- Nobody referred anything to him.

- He chose Revolut as it was a UK regulated institution.
- He was purchasing goods or services.
- He took full responsibility for the payments.

Revolut attempted in the chat to find out more about the payments Mr D was attempting, and Mr D was clearly reluctant to provide much detail explaining that any reason was purely personal and nothing to do with Revolut.

Revolut warned – *“Always take your time before making an investment decision. Scammers will try to convince you that you will miss out on an opportunity if you do not send money quickly. If this is the case, please ignore any further contact from individuals asking you to invest your money quickly. It is important to only purchase cryptocurrency from a reputable company. Scammers often use tactics to trick you into buying cryptocurrencies from fake websites and investment platforms.”*

Revolut also intervened when Mr D made payments 35-39. On each occasion Mr D was required to give a reason for the payments he was making and on each occasion Mr D selected “Payment for Goods or Services” despite the more accurate options of “Investment” or “Cryptocurrency” being available.

Mr D went on to confirm the following:

- He understood that if he was being scammed the fraudster may ask him to hide the real reason for the payment.
- He was not being assisted with the questions.
- He was buying goods from an online retailer.
- The goods were averagely priced or more expensive than usual.
- He knew or had met the seller.
- He had seen proof of ownership.

Mr D was then presented with warning screens relevant to the information he had provided. As the information Mr D had provided was not accurate the warnings, he received were not relevant to the scam he was experiencing.

Towards the end of the scam Mr D continued to attempt payments via transfer. And Revolut continued to intervene, again various chats took place via Revolut’s in-app chat facility. Mr D confirmed:

- He was making a business transfer.
- He had not been told to select “Goods or Services” for the payment purpose.
- He knew the payee.
- He took full responsibility for the payments
- He wasn’t being guided with the transaction
- He had not been asked to send the money

The information Mr D provided throughout the scam was not correct. Mr D has told us that he was coached when answering questions related to the payments he made. The evidence provided by Mr D also appears to show the use of screen sharing software.

In addition to the above Mr D took several loans to fund the scam. Mr D has confirmed that he didn’t give correct reasons when applying for the loans either.

With the above in mind, I think it’s clear that Mr D was being guided by X and was willing to give dishonest answers to Revolut for the payments to be made. Mr D was also willing to

ignore warnings provided to him by Revolut.

Even if I was to say that Revolut should have intervened further than it did, I don't have enough to say that Mr D would have provided more honest information than he did on multiple other occasions.

Providing dishonest information would and did make it very difficult for Revolut to uncover the scam that was taking place. So, I don't think Revolut missed an opportunity to uncover the scam and it is not responsible for Mr D's loss.

Mr D has stated that he was vulnerable at the time the scam was taking place. He is an elderly man with various health conditions. I have thought about what Mr D has told us but as Revolut was not aware of Mr D's health conditions until he reported the scam, I am unable to say that Revolut should have taken these into consideration.

I also don't think Mr D's age alone would reasonably have caused Revolut to have concerns. Mr D was able to discuss the payments at length with Revolut via the in-app chat facility and I can't see anything that would have concerned Revolut that Mr D's age was negatively impacting his ability to make reasonable decisions.

### **My final decision**

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 9 January 2026.

Terry Woodham  
**Ombudsman**