

### The complaint

Mr A complains that Revolut Ltd won't refund money he lost when he was a victim of an investment scam.

Mr A is represented by a firm I'll refer to as 'W'.

### What happened

The background to this complaint is well known to both parties and so I'll only refer to some key events here.

Mr A saw an online advertisement for an investment opportunity with a firm that I'll refer to as 'IQH' – although I understand IQH took over the firm Mr A initially dealt with. As part of the scam, Mr A exchanged fiat currency into crypto with Revolut before withdrawing it to a wallet address that he was told was linked to the trading platform. He also used his Revolut account to purchase crypto from a legitimate provider(s) before similarly forwarding it to IQH's platform. Mr A has said that IQH used AnyDesk to demonstrate how to use their platform.

Mr A made the following transactions on his Revolut account:

Date	Transaction	Amount
14 September 2023	Exchanged GBP to BTC	£300
14 September 2023	Crypto withdrawal	0.01387283 BTC
24 October 2023	Exchanged GBP to BTC	£400
24 October 2023	Crypto withdrawal	0.0138866 BTC
20 November 2023	Transfer to Crypto Provider (K)	€1,135
29 November 2023	Credit from K	€1,134.10
11 December 2023	Exchanged EURO to BTC	€1,100
13 December 2023	Crypto withdrawal	0.01524899 BTC
14 December 2023	Crypto withdrawal	0.01168843 BTC
23 January 2024	Fund transfer to Mr A	£5,000
16 February 2024	Fund transfer to Mr A	£8,000
27 February 2024	Fund transfer to Mr A	£6,000

20 March 2024	Fund transfer to 'V'	€11,599.02
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Mr A has explained he realised he'd been scammed when his withdrawal request from IQH's platform was blocked.

W complained, on Mr A's behalf, to Revolut on 17 January 2025. They said Revolut didn't do enough to protect Mr A from the scam – as they ought to have identified the large payments being made to new payees, performed further checks or warnings to ensure Mr A understood the risks, and tried to warn him to be careful/stop making them. If this had happened, Mr A would've been able to take the necessary protections to prevent any loss. To settle the complaint, Revolut should refund Mr A.

Revolut didn't uphold the complaint, and it was referred to the Financial Ombudsman.

Our Investigator didn't think Revolut had to do anything further. In short, he said:

- He didn't think there was enough reason for Revolut to suspect Mr A might be at risk of financial harm from fraud up to, and including, the crypto withdrawal on 14 December 2023. This was because those transactions weren't high value and they were made over about three months.
- Revolut did carry out checks on the £5,000 transaction. Revolut wouldn't have been able to identify this, or the subsequent two transactions, were being made to a crypto provider. And as part of Revolut's questioning, Mr A didn't provide accurate information – as, amongst other things, he said he was transferring funds to a checking or savings account with another bank.
- He wasn't persuaded that it had been evidenced the payment to V had been lost to the scam – as his research found a company named V but there was no indication it provided crypto.
- Revolut couldn't have done anything more to recover the funds Mr A lost.

W disagreed with our Investigator. In short, they said:

- They disagree there weren't sufficient grounds for Revolut to think Mr A wasn't at risk of financial harm from fraud when he made the payments – as from 23 January 2024 onwards they were of a significant value (£5,000 or over) and being sent for crypto purposes.
- Revolut's intervention wasn't an appropriate response to the risk of fraud the transactions carried, and they don't think Mr A gave inaccurate responses. Had Revolut carried out a human intervention and questioned the circumstances of the payments Mr A was making, including specifically asking if a third party was involved, he would've revealed who he was investing with. In turn, a quick check on this firm would've uncovered an FCA warning – which would've prompted Mr A not to make any further payments.
- They emphasised that Revolut are expected to detect red flags and patterns of suspicious behaviour and provide effective warnings to their customers before processing high-risk transactions. In the absence of such an intervention, Mr A was left exposed and unsupported.

- A human intervention was required here. And a tailored crypto scam warning issued to Mr A, along with reference to the FCA's warning, would've prevented his loss.
- They considered that sufficient evidence had been provided to demonstrate Mr A made the payment to V to fund the scam trading platform.

The matter has now 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.

I'm sorry Mr A has been the victim of a scam, and I don't underestimate the impact this has had. But while I accept Mr A has lost a lot of money due to the deception of IQH, I must consider whether Revolut is responsible for the loss he has suffered. I know this won't be the outcome Mr A is hoping for, but for similar reasons as our Investigator, I don't think they are. So, I don't think Revolut has acted unfairly by not refunding the payments. I'll explain why.

Before I do, I want to reassure Mr A that I've considered everything W has submitted in support of his complaint. And so, while I've summarised this complaint in far less detail than what has been provided, I want to stress that no discourtesy is intended by this. If there is a submission I've not addressed; it isn't because I have ignored the point. It's simply because my findings focus on what I consider to be the central issue in this complaint – that being whether Revolut are responsible for any loss Mr A suffered because of the scam.

In broad terms, the starting position in law is that an electronic money institution (EMI) is expected to process payments that their customer authorises them to make. It isn't disputed that Mr A knowingly made the payments from his account and so, I'm satisfied he authorised them. Therefore, under the Payment Services Regulations 2017 and the terms of his account, Revolut are expected to process Mr A's payments, and he is presumed liable for the loss in the first instance.

However, taking into account the regulatory rules and guidance, relevant codes of practice and good industry practice, there are circumstances where it might be appropriate for Revolut to take additional steps or make additional checks before processing a payment to help protect customers from the possibility of financial harm from fraud.

At which point, I'd like to explain that crypto withdrawals aren't a regulated activity. And so, I cannot consider them in isolation. The exchange of fiat money into crypto, which although not a regulated activity in itself, is one which our service would consider ancillary to payment services. This is in the same way we consider exchanging GBP into foreign currency an ancillary activity. Therefore, given the nature of Mr A's complaint, I'm satisfied that I can consider whether Revolut did what they should have, in relation to his funds and account when he used Revolut to exchange his fiat money to crypto.

So, the starting point here is whether the instructions given by Mr A to Revolut (either individually or collectively) were unusual enough to have expected additional checks to be carried out before the payments were processed.

When considering this, I've kept in mind that EMIs process high volumes of transactions each day. And that there is a balance for Revolut to find between allowing customers to be able to use their account and questioning transactions to confirm they're legitimate – as

it wouldn't be practical for EMIs to carry out additional checks before processing every payment.

Mr A's account was newly opened when these payments were made. So, there wasn't any prior usage available to Revolut for them to determine whether this activity was out of character for Mr A. But I don't think this prevented Revolut from assessing whether the activity was suspicious or if it potentially carried a known fraud risk. I've therefore considered at what point, if any, Revolut ought to have had concerns Mr A might be at risk of financial harm from fraud.

*The transactions up to, and including, 14 December 2023*

At the time of these payments, there were known fraud risks associated with crypto as scams like this have unfortunately become more prevalent in recent years. I must however consider, at the time of these payments, what was known to Revolut and what would've been reasonably expected from them. When doing so, I'm also mindful that a significant majority of crypto purchases made using a Revolut account will be legitimate and not related to any kind of fraud.

Here, the transactions were of a relatively low value (between £300 and €1,135) and so they wouldn't have been seen as 'high risk'. Further to this, the transactions were made over a three-month period with significant gaps between each of them. And so, they weren't made in rapid succession which can be a potential indicator of fraud or a scam. I therefore don't think Revolut had enough reason to suspect Mr A was potentially falling victim to a scam and so, I wouldn't have expected Revolut to have carried out additional checks before processing these payments.

I am however aware that Revolut did carry out some additional checks before processing the payment to K. So, they did more than I would've reasonable have expected in these circumstances. From their checks, Revolut confirmed with Mr A that:

- He understood that he had to answer their questions truthfully, as he might not get his money back if he didn't. And if he was being scammed, fraudsters might ask him to hide the real reason for the payment.
- He wasn't being assisted through the questionnaire, and he was making the payment 'as part of an investment' for 'gains from cryptocurrency'.
- He hadn't been asked to install software (such as AnyDesk), he came across the opportunity from a 'friend or family member', he'd invested in crypto before, it was an existing account he was sending funds to, and he'd researched the company.

Revolut then provided Mr A with various educational warnings – including saying it could be a crypto scam, to beware of social media promotions and to not give anyone remote access. Despite these warnings being relevant to his situation, Mr A proceeded to make the payment to K.

I think the additional checks Revolut carried out were more than proportionate to the risk this payment presented. And based on the responses Mr A provided, I think it was reasonable for Revolut to consider he was making the payment for legitimate investment purposes. Unfortunately, Mr A didn't provide accurate information which prevented Revolut from uncovering the scam – but I don't think I can fairly hold them responsible for that. I think it was reasonable for Revolut to process Mr A's payment to K upon receiving his instruction that he still wanted to make it following their additional checks being carried out.

### The fund transfers to Mr A

Although these funds were transferred to another crypto provider, I don't think Revolut would've been able to identify this from the payee. This is because the funds were transferred via a third-party payment services provider. And I'm not persuaded that this payment service provider, or the account the funds were sent to, would reasonably have been identifiable to Revolut as exclusively being associated with crypto. Because of this, I consider Revolut would've only known that Mr A was sending funds to a firm authorised by the FCA – with his own name as the beneficiary.

Consequently, Revolut wouldn't have considered these three transactions as presenting as great a risk of potential financial harm to Mr A. Nevertheless, Revolut did carry out additional checks before processing the £5,000 payment. And from their checks, Mr A confirmed:

- He understood that he had to answer their questions truthfully, as he might not get his money back if he didn't. And if he was being scammed, fraudsters might ask him to hide the real reason for the payment.
- He wasn't being assisted through the questionnaire, and he was making the payment for the purpose of transferring funds to his other account - a 'checking or savings account in another bank'.
- He hadn't been asked to install software (such as AnyDesk), he hadn't been told his account wasn't safe, and it was going to an existing account he controlled.

Revolut then provided Mr A with various educational warnings, although these weren't particularly relevant to his situation as they were tailored towards safe account scams. I don't however think Revolut can reasonably be held responsible for that. This is because, as I've said, I don't think Revolut would've known the funds were being sent to a crypto provider. And Mr A told them he was sending the funds to a checking or savings account with another bank rather than selecting, 'as part of an investment', which would've been a more accurate response.

Based on the responses Mr A provided, I think it was reasonable for Revolut to similarly consider the £5,000 payment was being made for legitimate purposes. So, I likewise consider it was reasonable for Revolut to process Mr A's payment upon receiving his instruction that he still wanted to make it following their additional checks being carried out.

Mr A made a further two transfers to this payee - £8,000 and £6,000. While these were of a greater value, there was a significant gap between the transactions being made. And as Mr A had already sent funds to this payee and assured Revolut it was for legitimate purposes (unrelated to investments), I don't think Revolut would've been concerned by them.

Ultimately, I don't think Revolut would've had sufficient reason to consider there was a heightened risk of fraud relating to these payments at that time that warranted a more in-depth intervention. I therefore don't think, as W has argued, a human intervention was needed. Instead, I think the automated questions and warnings Revolut undertook before processing the £5,000 payment was proportionate to associated risks in these circumstances.

### The fund transfer to V

Having considered everything W has provided; I'm not convinced that it's been demonstrated that the funds transferred to V were sent as part of a crypto scam. And it

would only be fair for me to direct Revolut to refund Mr A if it was established they had been lost to a scam (and they were responsible for the loss).

In any event, even if I were to accept the funds transferred to V were lost to a scam, I don't think Revolut would be responsible for it. This is because I'm not persuaded Revolut would've been able to identify from the payee that the payment was being made for crypto purposes. And Revolut again carried out additional checks before processing this transaction in the form of their automated questionnaire. I think this type of intervention was appropriate in the circumstances – as nearly a month had passed since the last transaction on Mr A's account and, by this point, it was relatively common for him to make infrequent transactions of a higher value at times. And from Revolut's checks, Mr A confirmed:

- The purpose of the payment was to 'buy or rent goods or services', and he was 'buying goods from an online retailer'.
- The item(s) he was buying was averagely priced or more expensive than usual, he knew or had met the seller, and he had seen proof of ownership.

Revolut then provided Mr A with various educational warnings, although these weren't particularly relevant to his situation as they were tailored towards purchase scams. I again don't think Revolut can reasonably be held responsible for that for the reasons I've already set out in relation to the fund transfers Mr A had previously made on his account.

It follows that I don't think Revolut would've had reason to think Mr A was making the payment to V for anything other than legitimate purposes. It was therefore reasonable for Revolut to process Mr A's payment upon receiving his instruction that he still wanted to make it following their additional checks being carried out.

It follows that I don't think Revolut could reasonably have prevented Mr A's loss.

### Recovery of funds

On a final note, I've considered whether, on being alerted to the scam, Revolut could reasonably have done anything more to recover Mr A's loss, but I don't think they could. Revolut had no method of recovery for the crypto withdrawals. And the funds transferred to the crypto provider were already forwarded on to IQH, so no funds remained. Revolut has also shown they contacted V's banking provider, but they didn't receive a response.

I appreciate Mr A will be disappointed by this outcome. But it would only be fair for me to direct Revolut to refund his loss if I thought they were responsible – and I'm not persuaded that this was the case. For the above reasons, I think Revolut have acted fairly and so I'm not going to tell them to do anything further.

### **My final decision**

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 1 January 2026.

Daniel O'Dell  
**Ombudsman**