

## **The complaint**

Ms Z complains that Revolut Ltd won't refund the money she lost when she fell victim to a scam.

## **What happened**

The details of this complaint are well known to both parties. So rather than repeat them all again here, I'll briefly summarise the key points.

Around August 2022, Ms Z saw an advert on social media for a trading company, L. They instructed her to set up cryptocurrency wallets to convert her funds to cryptocurrency, and then load it on to their platform.

After making three payments totalling £4,900, she asked to withdraw some funds. L told her she had to pay tax to do so – and she made a final payment of around €5,100. But they still wouldn't let her withdraw any funds. Ms Z realised L were a scam.

Shortly after, supported by a professional representative, Ms Z complained to Revolut – as she had transferred her funds from there, on to the cryptocurrency wallets, and then on to L. She said Revolut had failed to protect her from fraud as the payments were uncharacteristic – and if Revolut had spoken to her about them, the fraud would have been prevented.

Revolut didn't agree to refund Ms Z. So she referred the matter on to our service. Our investigator didn't uphold the complaint. He noted that Ms Z had previously used Revolut for cryptocurrency activity. Overall, he didn't think the payments looked significantly out of keeping with the expected account activity. So he didn't think Revolut had cause to intervene when processing them. Nor did he think it could have successfully recovered the funds.

Ms Z has appealed. In summary, she says the final payment was a significant increase, so should have prompted intervention. And more widely, the pattern of opening a new account and making cryptocurrency payments is a fraud trend it should have known about.

## **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 conclusions reached by the investigator for these reasons.

In line with the Payment Services Regulations 2017 (PSRs), Revolut is expected to execute authorised payment instructions without undue delay. So, as Ms Z made these payments – albeit due to being tricked by the scammers – the starting position is that she is presumed liable.

However, there are circumstances when it might be appropriate for Revolut, as an electronic money institute (EMI), to identify a fraud risk and to therefore take additional steps before processing a payment. Such as when the payment appears significantly unusual or uncharacteristic.

I've considered the payments made, to see whether Revolut had cause to be concerned about fraud. And I'm not persuaded it should have done.

While I appreciate Ms Z's points about cryptocurrency payments from new accounts, as the investigator pointed out, she opened her account with Revolut around four months prior to the scam. So it wasn't immediately utilised to make large cryptocurrency payments to a scam. Instead, I'm looking at how Ms Z was using her account in the run up to the scam, to see if there was a significant change that Revolut ought to have identified as indicative of fraud.

I therefore agree with the investigator that it's relevant Ms Z was using her Revolut account for cryptocurrency activity prior to the scam. That means the *type* of payment/recipients wouldn't have appeared particularly uncharacteristic.

Nor do I think the payment values were significant enough that Revolut ought to have been concerned about fraud. While I accept they were an increase compared to the previous payments, they weren't so significantly high to the extent I think they should have prompted further checks. That's bearing in mind, as mentioned above, that cryptocurrency payments wouldn't have appeared uncharacteristic.

The last payment, at over €5,000, was the most significant. But by that point, there was an established pattern of cryptocurrency payments – including payments in the thousands. Ms Z had already paid £3,400 to a cryptocurrency merchant in one day. And so I'm not persuaded the final payment constituted a significant enough change to warrant further checks. In line with its regulatory duties, I consider it reasonable that Revolut processed the payments in line with Ms Z's instructions.

I also agree with the investigator that Revolut couldn't have helped recover the payments. For the funds sent by bank transfer, we know from the nature of the scam that the funds were moved on from the account paid directly, to L's scam platform. So Revolut couldn't have successfully recalled the funds.

Nor could Revolut have raised successful chargeback claims for the card payments. As above, Ms Z used her debit card to pay legitimate crypto-exchange platforms before the funds were subsequently transferred on to the scammer. So she wouldn't be able to make a successful chargeback claim in these circumstances because the service would be considered provided (i.e. the purchase of cryptocurrency).

I appreciate this will be disappointing for Ms Z. But in the circumstances, I'm not persuaded Revolut made mistakes which caused or contributed to her loss. So it wouldn't be fair for me to hold it liable.

### **My final decision**

For the reasons given above, my final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms Z to accept or reject my decision before 16 October 2023.

Rachel Loughlin  
**Ombudsman**