

## **The complaint**

Mr F is unhappy that Revolut Ltd decided not to refund him after he says he was the victim of an Authorised Push Payment (APP) scam.

## **What happened**

In summary Mr F was contacted by scammers pretending to be from his bank. They told him his account was at risk and he needed to move his funds to keep them safe. He used his Revolut account to make three card payments, two of which were made to a cryptocurrency platform the other to a high street retailer. The payments were for €1,422.62, €2,289.34 and £369.50, respectively.

Revolut didn't uphold Mr F's complaint. It said Mr F made three card payments and these were securely authorised by him. It considered Mr F's chargeback rights but said these would not be successful as he authorised the payments. It also said it didn't miss a chance to prevent the transactions as it didn't detect these payments as unusual. The payments were not of high value and were in line with his previous account activity.

Mr F did not accept Revolut's outcome and brought the complaint to our service.

One of our investigators looked into things they didn't uphold Mr F's complaint. They said the payments made in this instance weren't unusual or suspicious. As a result, they said Revolut did not make an error when processing the transactions and didn't need to intervene with the payments. Mr F had used his account regularly and these payments were not out of character and were in-line with the account opening purpose. Although Mr F payments to crypto currency platforms the pattern of payments wasn't consistent with fraud and their values did not indicate heightened risk of financial harm.

Mr F's representatives didn't agree. They said the payments were unusual for Mr F. Any previous high value payments were made in GBP and were internal payments to his own account. There is a significant difference when these payments were made to a new cryptocurrency payee, and these do not match the account purpose of "spend and save". The two crypto payments were in quick succession and combined are a significant amount and this pattern is typical for an investment scam. The FCA and Action Fraud have published many warnings regarding cryptocurrency scams since 2018 and Revolut ought to be aware of this. It isn't unreasonable for Revolut to have provided a warning in this instance.

The investigator said the comments from the consumer's representative did not change their opinion on the matter. And as the complaint couldn't be resolved it was passed to me consider for a final decision.

## **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 carefully considered everything I'm not upholding Mr F's complaint.

In broad terms, the starting position at law is that a bank, payment service provider or electronic money institution is expected to process payments and withdrawals that a customer authorises it to make, in accordance with the terms and conditions of the customer's account. And I have taken that into account when looking into what is fair and reasonable in this case.

I've considered whether there was anything about the circumstances surrounding the payments that could have put Revolut on notice that they were being made as part of a scam. And I don't think there was.

- Mr F's account with Revolut had been open for a few years when the payments were made. The account opening purpose given was daily "spend and save". I can see Mr F used the account regularly, both making transfers and card payments. The card payments in dispute do not appear out of line with the purpose of "spending" on the account.
- Although I can't see that Mr F used his account for cryptocurrency previously, at the time he made these payments I don't think, the two relatively low value card payments made here, ought to have indicated that Mr F was at risk of financial harm, so much so that it ought to have intervened. Revolut ought to take into account a range of factors when deciding to make further enquiries with its customer and the value of the payments but even when combined, these payments are not in high value and I think that's key here.
- Mr F regularly made transfers in out of the out the account for higher values than the disputed payments. And although the card payments are for higher amounts than previous card transactions on the account, again they aren't what I would consider of high value.

Overall there isn't anything about these payments that ought to have given Revolut cause for concern that Mr F might be at risk of financial harm so I'm satisfied that it didn't need to intervene with the payments when Mr F authorised them.

Revolut also declined Mr F's chargeback claims.

The chargeback scheme is a voluntary scheme set up to resolve card payment disputes between merchants and cardholders. The card scheme operator ultimately helps settle disputes that can't be resolved between the merchant and the cardholder. Such arbitration is subject to the rules of the scheme, meaning there are only limited grounds and limited forms of evidence that will be accepted for a chargeback to be considered valid, and potentially succeed. Time limits also apply.

Here Mr F was making payments to a genuine cryptocurrency platform, before ultimately transferring those funds on to the scammers. This is important because Revolut would only be able to process chargeback claims against the merchant paid. The service provided would have been to convert or facilitate the conversion of Mr F's payments into cryptocurrency. Therefore, the cryptocurrency platform provided the service that was requested; that being the purchase of the cryptocurrency.

The fact that the cryptocurrency was later transferred elsewhere – to the scammer – doesn't give rise to a valid chargeback claim against the merchant Mr F paid. And the chargeback reason of fraud would not successful because Mr F authorised the payments and the fraud chargeback reason is for payments the consumer didn't make, which wasn't the case here.

Similarly, the chargeback against the retailer wouldn't be successful as Mr F authorised the payments.

In conclusion, I don't think the transactions and account activity were so unusual that Revolut should have been concerned Mr F was at risk of financial harm. So, I don't think Revolut made an error by not intervening when Mr F made the payment. And it didn't make an error in declining Mr F's chargeback claims.

### **My final decision**

I don't uphold this complaint

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr F to accept or reject my decision before 18 March 2024.

Sophia Smith  
**Ombudsman**