

The complaint

Mr D complains about Revolut Ltd.

He says that Revolut didn't do enough to protect him when he became the victim of a scam and would like it to refund her the money he has lost as a result.

What happened

Mr D unfortunately fell victim to a safe account scam. He received a phone call from an individual pretending to be from his bank 'N' – they told Mr D that his account had been compromised, and that he would need to move his money in order to keep his funds safe.

Panicked, Mr D opened an account with Revolut as instructed, and moved his money to this account. From here, the funds were then moved to B, a crypto exchange, when the scammer assured Mr D they would be opening a new account for him.

Mr D was then tricked into sending six payments to B, totalling £2,250.

Mr D quickly realised he had been scammed and reported this to Revolut. He said that it didn't do enough to protect his money, and was unhappy that it didn't successfully raise a chargeback against B.

Revolut didn't refund Mr D, so he, and his father as representative, brought his complaint to this Service.

Our Investigator looked into things, but didn't think that Revolut had done anything wrong, and so didn't need to refund Mr D the money he had lost.

Mr D asked for an Ombudsman to make a final decision on his complaint, so it has been passed to me.

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've decided not to uphold this complaint, for broadly the same reasons as our Investigator. I know this will be disappointing for Mr D, so I'll explain why.

I should start by saying that it isn't in dispute here that Mr D has fallen victim to a cruel scam – and is out of pocket as a result – however, my role is to decide if Revolut is at fault, and should be held responsible for this loss, and refund him his money.

In broad terms, the starting position at law is that banks and other payment service providers (PSP's) are expected to process payments and withdrawals that a customer authorises it to make, in accordance with the Payment Services Regulations and the terms and conditions

of the customer's account. And I have taken that into account when deciding what's fair and reasonable in this case.

Mr D authorised the payments in question here – so even though he was tricked into doing so and didn't intend for the money to end up in the hands of a scammer, he is presumed liable in the first instance.

But this isn't the end of the story. As a matter of good industry practice, Revolut should also have taken proactive steps to identify and help prevent transactions – particularly unusual or uncharacteristic transactions – that could involve fraud or be the result of a scam. However, there is a balance to be struck: banks had (and have) obligations to be alert to fraud and scams and to act in their customers' best interests, but they can't reasonably be involved in every transaction.

Taking into account the law, regulator's rules and guidance, relevant codes of practice and what I consider having been good industry practice at the time, I consider Revolut should fairly and reasonably:

- Have been monitoring accounts and any payments made or received to counter various risks, including anti-money laundering, countering the financing of terrorism, and preventing fraud and scams.
- Have had systems in place to look out for unusual transactions or other signs that might indicate that its customers were at risk of fraud (among other things). This is particularly so given the increase in sophisticated fraud and scams in recent years, which banks are generally more familiar with than the average customer.
- Have acted to avoid causing foreseeable harm to customers, for example by maintaining adequate systems to detect and prevent scams and by ensuring all aspects of its products, including the contractual terms, enabled it to do so;
- In some circumstances, irrespective of the payment channel used, have taken additional steps, or made additional checks, before processing a payment, or in some cases declined to make a payment altogether, to help protect customers from the possibility of financial harm from fraud.
- Have been mindful of – among other things – common scam scenarios, how the fraudulent practices are evolving (including for example the common use of multi-stage fraud by scammers, including the use of payments to cryptocurrency accounts as a step to defraud consumers) and the different risks these can present to consumers, when deciding whether to intervene.

In this case, I need to decide whether Revolut acted fairly and reasonably in its dealings with Mr D when he authorised payments from his account or whether it could and should have done more before processing them.

Looking at the payments in question, I don't think that they were sufficiently unusual or suspicious enough for Revolut to have needed to intervene in what was happening. While I do understand that the amount in question means a great deal to Mr D, the payments weren't large, and while they were going to a crypto exchange, not every such payment is a result of a scam. Revolut processes numerous transactions every day, and it can't fairly be expected to involve itself in every such payment.

And so, as I don't think it needed to intervene, I can't say that it failed to protect Mr D's money.

Finally, I will address the issue of chargeback – which is a voluntary agreement between card providers and card issuers who set the scheme rules and is not enforced by law.

I understand that Mr D and his father are upset that Revolut didn't attempt a chargeback request for them – they say that B held card transactions for three days and so a chargeback request should have been made.

But I'm afraid that I don't think a chargeback request would ever have been successful. The chargeback scheme is voluntary and run by the card issuers and not Revolut. Its purpose is to resolve disputes between merchants and consumers. In this case, Mr D's dispute is with the scammer and not the merchant - B, and I note B has provided the service paid for, namely the purchasing of cryptocurrency. While I know that Mr D was tricked into purchasing the crypto, it was still provided.

I have also looked into Mr D's point about B holding transactions made by card, to protect people whose debit or credit card has been stolen – but looking at Bs website, this only applies for transactions over \$1300 – and none of the payments made were larger than this (which I suspect was done purposefully by the scammer). And I think that the funds would have been moved on as soon as they were received.

So, I agree there was no grounds for Revolut to raise a chargeback claim in the circumstances.

I am very sorry for what happened to Mr D – I know that he has been manipulated by a skilled and practiced scammer – and in trying to protect his money, it has been lost. But his loss was not caused by Revolut, and I can't ask it to refund him, or force it to attempt a chargeback.

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 6 March 2025.

Claire Pugh
Ombudsman