

## The complaint

Miss S complains that Revolut Ltd (Revolut) is refusing to refund her the amount she lost as the result of a scam.

## What happened

The background of this complaint is well known to all parties, so I won't repeat what happened in detail.

In summary, Miss S tells us she was approached by a friend who asked if she wanted to make some money, and the friend told her about an App for a company I will call 'X'. Miss S's friend was able to show her that she had made a substantial return by adding funds to the app and completing 5 "clicks" each day.

Miss S says she researched X online before deciding to invest and the information she found was positive. There was also a group on a messaging service with thousands of people that were also investing in X. Miss S didn't find anything to suggest X was operating a scam.

Miss S's understanding of the investment is that it was similar to investing in cryptocurrency, but individual trades were not required, instead Miss S was required to do 5 "clicks" each day.

Miss S tells us she was able to make an initial withdrawal from the investment and attended a conference with X that was followed up with a bonus offer from X stating that any investment would be doubled, but that separate payments had to be made to qualify.

Miss S then found out from another investor that they were unable to withdraw from the investment and realised X was operating a scam.

Miss S made the following payments into the scam from her Revolut account:

Payment	Date	Payee	Payment Method	Amount
1	23 October 2023	Alchemypay	Debit Card	£20.00
	23 October 2023	Mercuryo	Debit Card - Declined	£250.00
	23 October 2023	MooonPay	Debit Card - Declined	£250.00
	26 October 2023	Alchemypay	Debit Card - Declined	£100.00
	26 October 2023	Mercuryo	Debit Card - Declined	£100.00
	26 October 2023	Mercuryo	Debit Card - Declined	£100.00
2	09 November 2023	Banxa OKX	Debit Card	£100.00
3	10 November 2023	Banxa OKX	Debit Card	£100.00
	10 November 2023	Banxa OKX	Debit Card - Declined	£100.00
4	10 November 2023	Banxa OKX	Debit Card	£100.00
5	13 November 2023	Banxa OKX	Debit Card	£500.00
6	13 November 2023	Banxa OKX	Debit Card	£500.00
	14 November 2023	Mercuryo	Debit Card - Declined	£250.00
	14 November 2023	Mercuryo	Debit Card - Declined	£250.00
	14 November 2023	Banxa OKX	Debit Card - Declined	£250.00

7	14 November 2023	Mercuryo	Debit Card	£250.00
8	14 November 2023	Banxa OKX	Debit Card	£100.00
9	20 November 2023	Mercuryo	Debit Card	£2,900.00
10	21 November 2023	Mercuryo	Debit Card	£1,600.00
11	21 November 2023	Mercuryo	Debit Card	£110.00
	21 November 2023	Mercuryo	Debit Card - Declined	£1,250.00
	21 November 2023	Mercuryo	Debit Card - Declined	£1,250.00
	21 November 2023	Mercuryo	Debit Card - Declined	£1,250.00
	21 November 2023	Mercuryo	Debit Card - Declined	£1,250.00
12	21 November 2023	Mercuryo	Debit Card	£1,251.00

Our Investigator considered Miss S's complaint and didn't think it should be upheld. Miss S 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 Miss S has fallen victim to a cruel scam. The evidence provided by both Miss S and Revolut sets out what happened. What is in dispute is whether Revolut should refund the money Miss S lost due to the scam.

#### *Recovering the payments Miss S made*

Miss S made payments in relation to the scam via her debit card. When payments are made by card the only recovery option Revolut has is to request a chargeback.

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.

Miss S was dealing with X, which was the business that instigated the scam. But Miss S didn't make the debit card payments to X directly, she paid separate cryptocurrency exchanges. This is important because Revolut would only have been able to process chargeback claims against the merchants she paid, not another party (such as X).

The service provided by the cryptocurrency exchanges would have been to convert or facilitate conversion of Miss S's payments into cryptocurrency. Therefore, they 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 merchants Miss S paid.

#### *Should Revolut have reasonably prevented the payments Miss S made?*

It has been accepted that Miss S authorised the payments that were made from her account with Revolut, albeit on X's instruction. So, the starting point here is that Miss S 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 the payments were made. And if it had intervened, would it have been able to prevent the scam taking place.

The payments that left Miss S's account were spread across a one-month period and were not of such high values that I would necessarily have expected them to trigger Revolut's fraud prevention systems prompting it to intervene.

However, I can see that Revolut did decline multiple payments and provided some interventions.

On 23 and 26 October 2023 Miss S attempted multiple payments in relation to the scam via several cryptocurrency exchanges. These payments were declined by Revolut and an email was sent to her asking her to engage with it and to review the risks associated with the payments. But Miss S did not engage with Revolut, instead she went on to make payments via a different cryptocurrency exchange two weeks later.

Revolut also intervened when Miss S attempted to make payments on 14 November 2023. When asked the purpose of the payments Miss S selected "something else" from a drop-down list, despite the more accurate option of "Buying and investing in crypto" being available.

Miss S also confirmed that no one was guiding her on how to answer the questions raised by Revolut. Revolut still warned Miss S that "If someone is telling you to ignore these warnings, they're a scammer, only proceed if you are sure, you are not being guided to make the payments.

Miss S has since confirmed to our service that she was being guided by X on what she should say to Revolut when making the payments.

On 21 November 2023 Revolut intervened again and Miss S confirmed she had not been told by anyone to open a Revolut account. Revolut warned Miss S that if she had been told to open a Revolut account it was a scam.

Although It appears Miss S opened her Revolut account just before she started making the payments and the account was primarily used in association with the scam. So, I think its most likely she was required to open an account with Revolut to participate in the scam/investment.

I think it's clear that Miss S was willing to give incorrect information in order to have the payments processed.

Miss S has said that Revolut should have waited for a response to its emails before allowing further payments and that it didn't ask what the "something else" was that she referred to as the purpose of a payment.

But even if Revolut had intervened further, I don't have enough to say Miss S would have been any more honest when answering its questions. I think the way she responded to Revolut when it intervened suggests it's more likely she would not have answered Revolut's questions honestly.

Giving incorrect information when making the payments would have made it extremely

difficult for Revolut to uncover the scam. So, I don't think Revolut missed an opportunity to prevent the scam from taking place and it's not responsible for Miss S's loss.

### **My final decision**

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss S to accept or reject my decision before 17 January 2025.

Terry Woodham  
**Ombudsman**