

### The complaint

Ms B complains that Revolut Ltd won't refund money she lost when she was a victim of a scam.

Ms B is represented by a firm I'll refer to as 'RS'.

### What happened

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

Ms B says she fell victim to an investment scam with a firm I'll refer to as 'C' - having been introduced to it by a friend. Ms B made the following debit card payments to C's trading platform via legitimate crypto exchanges:

Transaction Date	Amount
6 November 2023	£170.22
7 November 2023	£84.79
7 November 2023	£16.30
10 November 2023	£86.04
10 November 2023	£16.39
12 November 2023	£170.02
12 November 2023	£86.02
13 November 2023	£48.95
14 November 2023	£52.11
20 November 2023	£2,811.82
21 November 2023	£100.56
21 November 2023	£91.04
21 November 2023	£11.98
22 November 2023	£259.61
22 November 2023	£12.06

<b>Total</b>	£4,017.91
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Ms B has explained that she realised she'd been scammed when she was unable to withdraw her funds.

RS complained to Revolut, on Ms B's behalf, in January 2024. They didn't think Revolut did enough to protect Ms B from the scam – and so, they requested a full refund plus interest.

Revolut didn't uphold the complaint. They said they'd raised chargebacks on the transactions to recover the funds lost. But they explained the chargeback process is framed by a very detailed and consistent set of rules. And, essentially, the process includes two types of claims – fraud or dispute – with dispute claims raised for these transactions. But the outcome was that they had no dispute rights due to the payments being money orders, with the service considered provided and as described.

The complaint was referred to the Financial Ombudsman Service. Our Investigator didn't however think Revolut had to refund Ms B. This was because he didn't think the payments would've been particularly unusual or suspicious to Revolut, thereby giving them enough reason to think Ms B was at risk of financial harm from fraud. So, he didn't think Revolut were at fault for processing the payments. Our Investigator also didn't think Revolut could've done anything more to recover Ms B's funds in the circumstances.

RS didn't agree with our Investigator. In short, they said:

- The £2,811.82 payment, which was greater in value than the others, should've flagged up sufficient warnings.
- Revolut could've done more to protect Ms B from the fraudulent activity.
- While the payments aren't protected under the current regulatory payment guidelines automatically, the transactions were uncharacteristic and warranted security checks being completed. Revolut should've been aware the payments were being made to a high-risk crypto wallet, which is unregulated and without any consumer protection. Therefore, it should've triggered appropriate security measures.
- Had Revolut made a simple courtesy call, Ms B's losses could've been prevented.
- This matter has caused Ms B much distress and impacted her mental health.

The matter 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.

I don't underestimate the impact this situation has had on Ms B – as I appreciate it is a lot of money she has lost. I therefore understand why she is doing everything she can to recover it. But while I'm sympathetic to Ms B's situation, I must consider whether Revolut is responsible for the loss she has suffered. I know this won't be the outcome Ms B 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.

I've thought about both the Contingent Reimbursement Model (CRM) code and the Authorised Push Payment (APP) fraud reimbursement scheme which can offer a potential means of obtaining a refund following situations like this. Revolut wasn't a signatory of the CRM code. The APP fraud reimbursement scheme also only came into effect on 7 October 2024, and it doesn't apply retrospectively. Nor does it, or the CRM code, cover debit card payments or payments made to a person's own account. I've therefore considered whether it would otherwise be fair and reasonable to hold Revolut responsible for Ms B's loss.

In broad terms, the starting position is that an electronic money institution (EMI) is expected to process payments that their customer authorises them to make. It isn't disputed that Ms B knowingly made the payments from her Revolut account – albeit under the direction and guidance of C. And so, I'm satisfied she authorised them. Therefore, under the Payment Services Regulations 2017 and the terms of her account, Revolut are expected to process Ms B's payments, and she 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.

So, the starting point here is whether the instructions given by Ms B 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.

Ms B's payments went to legitimate crypto providers - which carries a known fraud risk that Revolut ought to have considered as part of their requirement to monitor unusual patterns of account activity to prevent potential financial crime. But while crypto providers are sometimes used for the purpose of scams, they're also used by many individuals to invest in crypto legitimately. Because of this, I wouldn't necessarily have expected Revolut to have carried out additional checks before processing the payments simply because they were going to a crypto merchant. But rather, I would expect them to take steps to protect customers that are proportionate to the identifiable risk.

Here, the disputed payments were, mostly, of a very low value – as, except for the £2,811.82 payment, they were less than £260. So, they wouldn't have presented a high risk of financial harm from fraud to Revolut based on their individual value. And by the point of the £2,811.82 payment, while this was an increase on what Ms B typically spent on her account, it was the ninth payment to the same crypto provider – thereby making it an established payee. It's also worth noting that it is common for customers to make larger payments from time to time as part of normal account activity.

Further to this, the disputed payments were spread over a 17-day period – so, not made in rapid succession (with no more than three on a single day). Nor did the payments result in Ms B's account balance differing from her typical usage. Because of this, I don't think the payments, either individually or collectively, presented a pattern of activity that would've given Revolut reason to suspect an increased risk.

In these circumstances and given, as I've said, there is a balance for Revolut to find between questioning transactions and allowing customers to use their account without unreasonable

friction, I don't think Revolut would've had sufficient reason to suspect Ms B wasn't making the payments for anything other than legitimate crypto purposes – as the activity didn't have the typical traits of fraud or a scam.

It follows that, while there are circumstances where it might be appropriate for Revolut to take additional steps or make additional checks before processing a payment, for the above reasons, I wouldn't have expected that here. And so, I think it was reasonable for Revolut to process the payments upon receiving Ms B's instruction(s).

I've also considered whether, on being alerted to the payments being made in relation to a scam, Revolut could reasonably have done anything to recover Ms B's losses, but I don't think they could. The only possible option for recovery would've been for Revolut to have attempted a chargeback against the payee – that being the crypto providers. But this likely wouldn't have had any reasonable prospect of success. This is because the payments were for the purchasing of crypto which had been provided to Ms B – so she received the service she paid for.

It follows that, while I have a great deal of sympathy for Ms B, I cannot fairly direct Revolut to refund her. 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 Ms B to accept or reject my decision before 8 July 2025.

Daniel O'Dell  
**Ombudsman**