

The complaint

Mr J complains that Revolut Ltd (Revolut) is refusing to refund him the amount he lost as the result of a scam.

Mr J is being represented by a third party. To keep things simple, I will refer to Mr J throughout my decision.

What happened

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

In summary, Mr J tells us he received an email that appeared to come from an acquaintance of his that contained a link to an investment opportunity. Mr J clicked on the link which took him to a website showing a well-known celebrity talking about a cryptocurrency investment and giving details of how it would work. Mr J then decided to invest.

Mr J was encouraged to open an account with Revolut for the purpose of the investment and told to download screensharing/remote access software to help with the investment process and the setting up of cryptocurrency accounts.

Mr J made multiple transfers in relation to the investment and was able to see he had made a substantial profit. But when he attempted to make a withdrawal that was unsuccessful he enquired with a cryptocurrency exchange it came to light that Mr J had fallen victim to a scam.

Mr J made the following payments in relation to the scam:

<u>Payment</u>	<u>Date</u>	<u>Payee</u>	<u>Payment Method</u>	<u>Amount</u>
1	6 April 2023	Moonpay 4964	Debit Card	£400.00
2	14 April 2023	Moonpay 7402	Debit Card	£3,000.00
3	14 April 2023	Moonpay 4775	Debit Card	£1,000.00
4	18 April 2023	Moonpay 6324	Debit Card	£450.00
5	9 May 2023	Moonpay*moonpayio 6561	Debit Card	£3,300.00
6	24 May 2023	Moonpay*changelly 1204	Debit Card	£3,000.00
7	24 May 2023	Moonpay*changelly 2052	Debit Card	£3,010.00
8	30 May 2023	Moonpay*changelly 1072	Debit Card	£1,150.00
9	2 June 2023	Moonpay*changelly 7250	Debit Card	£1,100.00
10	8 June 2023	Binanceltgbpecom	Debit Card	£3,000.00
11	8 June 2023	Binanceltgbpecom	Debit Card	£2,500.00
12	8 June 2023	Binance	Debit Card	£4,000.00
13	8 June 2023	Binanceltgbpecom	Debit Card	£500.00
14	9 June 2023	Binanceltgbpecom	Debit Card	£400.00
15	13 June 2023	Binanceltgbpecom	Debit Card	£3,000.00
16	13 June 2023	Binance	Debit Card	£3,500.00
17	20 June 2023	Binance	Debit Card	£2,000.00

18	20 June 2023	Binanceltgbepecom	Debit Card	£3,500.00
19	20 June 2023	Binanceltgbepecom	Debit Card	£3,000.00
20	20 June 2023	Binance	Debit Card	£2,000.00
21	21 June 2023	Binanceltgbepecom	Debit Card	£700.00
22	22 June 2023	Binanceltgbepecom	Debit Card	£5,000.00
23	22 June 2023	Binance	Debit Card	£2,200.00
24	23 June 2023	http://binance.com	Debit Card	£4,624.06
25	23 June 2023	Binanceltgbepecom	Debit Card	£3,111.22
26	23 June 2023	Binanceltgbepecom	Debit Card	£1,605.89
27	26 June 2023	Binanceltgbepecom	Debit Card	£1,578.54
28	26 June 2023	Binanceltgbepecom	Debit Card	£1,577.12
29	30 June 2023	Binanceltgbepecom	Debit Card	£1,553.66
30	3 July 2023	Binance	Debit Card	£1,643.19
	3 July 2023	Binance	Credit	£194.46cr
	3 July 2023	Binance	Credit	£1,410.94cr
31	4 July 2023	Binance	Debit Card	£1,650.00
32	10 July 2023	Binance	Debit Card	£1,569.54
33	11 July 2023	Binance	Debit Card	£1,566.31

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

Recovering the payments Mr J made

Mr J made payments into the scam via his 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.

Mr J was dealing with the scammer, which was the person that instigated the scam. But Mr J didn't make the debit card payments to the scammer directly, he paid a separate cryptocurrency exchange. This is important because Revolut was only able to process chargeback claims against the merchant he paid, not another party.

The service provided by the cryptocurrency exchange would have been to convert or facilitate conversion of Mr J's payments into cryptocurrency. Therefore, it provided the service that was requested; that being the purchase of the cryptocurrency.

The fact that the cryptocurrency was transferred elsewhere – to the scammer – doesn't give rise to a valid chargeback claim against the merchants Mr J paid. As the cryptocurrency exchange provided the requested service to Mr J any chargeback attempt would likely fail.

Should Revolut have reasonably prevented the payments Mr J made?

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

On 14 April 2023 Mr J contacted Revolut via its chat facility and a conversation between Mr J and Revolut took place. Mr J explained that he had concerns restrictions had been placed on his account for making payments.

During this chat Mr J confirmed he was not using a finance manager, he had not been using screensharing/ remote access software, he was making a purchase of cryptocurrency to his own ledger, and no one had advised him to open an account with Revolut. Mr J also confirmed that he had heard about Revolut via the internet.

It's clear from the chat transcript that Mr J was giving incorrect information to Revolut. When incorrect information is provided by a customer it makes it extremely difficult for Revolut to uncover any scam.

While I think it's possible Revolut could have intervened on other occasions throughout the scam I don't have enough to say that Mr J would have been any more honest had Revolut questioned him further. So, I don't think Revolut missed an opportunity to prevent the scam and it is not responsible for Mr J's loss.

My final decision

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr J to accept or reject my decision before 14 March 2025.

Terry Woodham
Ombudsman