

The complaint

Mr V complains about Revolut Ltd not refunding several payments he made and lost to a scam.

What happened

The background to this complaint is well-known to both parties, so I won't repeat it in detail here. But in summary and based on the submissions of both parties, I understand it to be as follows.

Mr V complains that from October 2023 he sent two payments of £4,000 and £1,364 to what he thought was a legitimate investment. Mr V did make two payments before these, but both were declined.

Mr V says he was invited to join an online investment platform by a friend based largely on cryptocurrency. Mr V says he was part of some chat forums with other investors, and he would see members sharing their successes and withdrawing profits. When Mr V was unable to withdraw his profits, he realised he'd been scammed. So, he raised a complaint with Revolut.

Revolut looked into the complaint but didn't uphold it, so Mr V brought his complaint to our service.

Our investigator looked into the complaint but didn't uphold it. Our investigator didn't think on balance Revolut could've prevented the losses. She found Mr V was presented with some warnings but even if they had been more specific to the scam Mr V was falling victim to, she thought on balance he would've still made the payments.

As Mr V didn't agree with the investigator's view, the 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.

I'm very aware that I've summarised this complaint briefly, in less detail than has been provided, and in my own words. No discourtesy is intended by this. Instead, I've focussed on what I think is the significant part here. If there's something I've not mentioned, it isn't because I've ignored it. I haven't. I'm satisfied I don't need to comment on every individual point or argument to be able to reach what I think is the right outcome. Our rules allow me to do this. This simply reflects the informal nature of our service as a free alternative to the courts.

Where the evidence is incomplete, inconclusive, or contradictory, I must make my decision on the balance of probabilities – that is, what I consider is more likely than not to have happened in the light of the available evidence and the wider surrounding circumstances.

In line with the Payment Services Regulations (PSR) 2017, consumers are generally liable for payments they authorise. Revolut is expected to process authorised payment instructions without undue delay. As an Electronic Money Institution (EMI), it also has long-standing obligations to help protect customers from financial harm from fraud and scams. However, there are many payments made by customers each day and it's not realistic or reasonable to expect an EMI to stop and check every payment instruction. There's a balance to be struck between identifying payments that could potentially be fraudulent, and minimising disruption to legitimate payments.

Mr V's first successful payment went to an indefinable and popular cryptocurrency exchange and was of a value that I think ought to have triggered Revolut's automatic payment checking systems.

Revolut said it did ask Mr V some questions and when Mr V said he was being guided making the payment, it warned him he was most likely being scammed and to stop contact with the person. Mr V moved on from that warning and continued to make payments. It has gone on to say that due to a technical glitch, it's unable to say what questions or warnings it gave Mr V after that.

Given the amount and the identifiable risk at the time, I'm satisfied a propitiate warning would've been an automatic warning asking a series of questions to get a better understanding of the payment purpose. Revolut should have then given a tailored warning based on the answers Mr V gave. I'm unable to say for certain that Mr V would've answered all the questions accurately, as Mr V hasn't supplied any evidence of him being in contact directly with a scammer or being coached. But for completeness I've assumed Mr V would have answered accurately and got a tailored warning explaining the characteristics of a cryptocurrency scam.

So, I've gone on to think about whether an appropriate intervention or further warnings would have likely made a difference in the circumstances of this complaint. Ultimately, I don't think any intervention by Revolut would have made a difference or prevented the payments Mr V made. I say this because when Mr V made the payments, he was led to believe he was investing into a legitimate company that had been referred to him by a friend. Mr V said he had done his own research and found positive articles online. He was also so confident in what he was investing in, he had gone on to refer others to the platform. Mr V had also seen evidence that his friend had withdrawn his entire investment and was part of a group where others had shown similar profits and withdrawals.

Mr V has supplied lots of information, but from what I can see it's mostly of other people's access to the platform. But it's worth pointing out that from what I have seen, the platform looked professional, and I have no doubt this would've added to the Mr V's confidence that he was investing in something legitimate. Mr V also said it wasn't accessible to everyone, but was invite only. So, on balance, I think it's most likely Mr V would've moved on from any warning and continued to make payments, as the evidence suggests he was confident in what he was doing.

Recovery

After the debit card payments were made, the only potential avenue for recovery of the payments would have been through the chargeback scheme. The chargeback scheme is a voluntary scheme set up to resolve card payment disputes between merchants and cardholders. Revolut is bound by the card scheme provider's chargeback rules. Whilst there is no 'right' to a chargeback, I generally consider it to be good practice that a chargeback be

raised if there is a reasonable chance of it succeeding. But a chargeback can only be made within the scheme rules, 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.

In the circumstances of this complaint, I'm satisfied that a claim would've unlikely been successful. Mr V paid legitimate crypto exchanges, and he would have received a service from the crypto exchange. Mr V's disagreement is with the scammer, not the crypto exchange. And so, it would not have been possible for Revolut to process a chargeback claim against the scammer as Mr V did not pay them directly. So, I don't think Mr V had any reasonable prospect of success if Revolut were to have processed chargeback claims against the crypto exchange. So, I can't say that Revolut acted unfairly when it considered Mr V's chargeback claim.

Mr V feels that Revolut should refund the money he lost due to the scam. I understand that this will have been frustrating for him. But I've thought carefully about everything that has happened, and with all the circumstances of this complaint in mind I don't think Revolut needs to pay Mr V any compensation. I realise this means Mr V is out of pocket and I'm really sorry he's lost this money. However, for the reasons I've explained, I don't find I can reasonably uphold this complaint.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr V to accept or reject my decision before 12 June 2025.

Tom Wagstaff
Ombudsman