

The complaint

Mr H complains that Revolut Ltd won't refund the full amount of money he says he 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 H complains that between September 2022 and December 2023 he sent eight payments to what he thought was a legitimate investment.

When Mr H couldn't withdraw his funds, he realised he'd been scammed. So, he raised a complaint with Revolut.

Revolut looked into the complaint but didn't think it had done anything wrong by allowing the payments to be made. It also didn't find it could recover the funds, due to timescale issues and payments being sent to wallets in Mr H's name. Mr H remained unhappy, so he brought his complaint to our service.

Our investigator looked into the complaint but didn't uphold it. Our investigator didn't think the payments were of a value that would've triggered Revolut's automatic payment checking system. He also didn't think Revolut could have recovered the money, due to the money being sent to accounts Mr H held.

As Mr H didn't agree with the investigator's view, the complaint's 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 heart of the matter 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), they also have 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.

When considering the actions of Revolut, I've also taken into account the obligations it has under the Consumer Duty (although some of Mr H's payments were made before this was launched).

Having considered the size of the individual payments, I'm satisfied they were not of a value or remarkable enough to have triggered Revolut's payment checking process. The payments were also spread across a long period of time and don't show any characteristics of what we would normally attribute to a scam.

So, I don't find Revolut did anything wrong when it didn't stop Mr H's payments.

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 H paid a legitimate crypto exchange, and he would have received a service from the crypto exchange. Mr H'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 H did not pay them directly.

So, I don't think Mr H 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 H's chargeback claim.

Mr H 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 H any compensation. I realise this means Mr H is out of pocket and I'm sorry he's lost this money. However, for the reasons I've explained, I don't think 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 H to accept or reject my decision before 27 April 2025.

Tom Wagstaff
Ombudsman