

## **The complaint**

Mr L has complained that Revolut Ltd failed to place adequate safeguarding measures in place to prevent him from gambling and losing large sums of money.

## **Background**

Mr L opened a bank account with Revolut in July 2022. Almost immediately he began to use the account to gamble large sums of money with online overseas gambling merchants. In late 2022 Mr L contacted Revolut about some of these transactions asking if it would be possible to block them or request chargeback refunds as he'd realised the websites he was using were for gambling merchants that weren't regulated by the UK Gambling Commission. Revolut explained that some of the transactions weren't eligible for chargebacks as they were bank transfers and not card transactions. And in relation to the card transactions, while some chargebacks were processed and refunded not all of them were.

While Mr L accepted the findings regarding some of the chargeback requests but he also queried why Revolut didn't do more to help him when it was apparent that he was struggling to control his gambling. He has explained that he has ADHD and is a compulsive gambler. As a result, Mr L says he lost approximately £84,000 to gambling merchants through his Revolut account. He has asked that he receive compensation that acknowledges the severity of his losses and the impact of the bank's failings on him.

Revolut has said that it completed all requests for chargebacks correctly and that not all the transactions Mr L sought to have returned to him were eligible for chargeback refunds to begin with. For those that were eligible it has said that when it checked with the merchants involved it received evidence to show that Mr L had either received the services he'd paid for or had failed to request a refund directly from the merchant which he is obliged to do before seeking a chargeback refund. So, it didn't think it had done anything wrong in relation to that part of Mr L's complaint and so didn't uphold that element of it.

In regard to Mr L's allegation that it had failed to provide adequate support to him as a vulnerable consumer Revolut has said that at no point in time was it aware that Mr L was vulnerable. It has said that he never directly told the bank he had a gambling problem or that he was experiencing financial vulnerability. It has said that as Mr L had sufficient funds in his account to cover the transactions he was making there was nothing to indicate financial harm. It says the bank offers a gambling block, which it says Mr L had previously added to his account and so it was satisfied he was aware of the tools available to him. Therefore, it didn't think it had done anything wrong and didn't uphold that aspect of his complaint either.

Unhappy with Revolut's response Mr L brought his complaint to this service. One of our investigators looked into it already. She found that Revolut had properly considered the chargeback requests made by Mr L and was satisfied that the ones that were declined were done so correctly. So, she didn't uphold the complaint on that basis.

However, she did think that Revolut had failed to identify Mr L as a vulnerable consumer and had failed to offer him appropriate support. While she accepted the gambling block had worked while it was on the account, she didn't think this was enough to say adequate

support had been offered by the bank. She thought there were clear signs that Mr L was gambling compulsively and harmfully and that Revolut should have done more than it did to try to help him. So, she asked the bank to pay Mr L £300 in compensation in recognition of those failings.

Revolut disagreed with the investigator's findings. It repeated that Mr L had never explicitly told the bank he was struggling or that he had a compulsive spending problem. It also explained that while it reviewed the transactions Mr L had requested chargebacks on, these weren't obviously gambling transactions, and a full account review had never taken place. So, it didn't think it missed indicators of vulnerability or that it could have done more for Mr L to prevent his losses.

Mr L responded to say while he agreed with the findings he didn't agree with the amount of compensation awarded. He explained again that he had lost tens of thousands of pounds and so didn't think £300 compensation was sufficient to acknowledge the impact Revolut's failings had had on him. He also expressed concerns that he was able to open several new accounts after he made his complaint about the lack of support, detailing his vulnerabilities. He asked for an ombudsman to review the complaint again and so it's been passed to me for consideration.

## **My findings**

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Having done so, I'd like to begin by confirming that this service isn't a regulatory body or a Court of Law and doesn't operate as such. Instead, this service is an informal, impartial dispute resolution service. And while we do take relevant law and regulation into account when arriving at our decisions, our remit is focussed on determining whether we feel a fair or unfair outcome has occurred – from an impartial perspective, after taking all the factors and circumstances of a complaint into consideration.

I also want to acknowledge that I've summarised the events of Mr L's complaint. But I want to assure both parties that I've reviewed everything on file. And if I don't comment on something, it's not because I haven't considered it. It's because I've concentrated on what I think are the key issues. Our powers allow me to do this. This simply reflects the informal nature of our service as a free alternative to the courts.

I understand that Mr L is unhappy with the amount of compensation recommended by our investigator, and I understand why he feels this way. He's explained that his compulsive gambling has had a devastating and far-reaching impact on his life. He is now in a debt management plan having applied for various forms of credit during this period and losing vast amounts of money to overseas gambling sites. So, I appreciate why he feels the way he does and why he's asked that Revolut pay a higher amount of compensation to him.

However, the purpose of this service isn't to punish businesses or make punitive awards when things have gone wrong. And Mr L has explained that the position he's now in is the result of a lot of different elements, including receiving credit from other providers and compulsively spending. I can only consider what Revolut is directly responsible for and what I think the genuine impact of any failing by it may have had.

I've reviewed the information around the chargeback requests and agree that these were handled correctly. Those that could be refunded were and those that weren't were declined for legitimate reasons as per the rules that govern them. So, I don't think Revolut needs to do anything more in relation to that element of Mr L's complaint.

Turning to whether or not Revolut should have identified Mr L as potentially vulnerable during this time, I disagree with the bank's assertions that there were no signs of vulnerability on his account. I've reviewed the chat history between Mr L and Revolut and can see that throughout his attempts to get various chargeback requests approved, which lasted many months, and involved multiple conversations, Mr L repeatedly explains that the transactions were linked to gambling websites and asks that a member of staff call him to discuss the issues. But that doesn't happen and instead Mr L is left in a loop with a staggering number of different representatives from the bank, via its chat function, many of whom ask the same questions over and over again. I can only imagine how frustrating and distressing this would have been for Mr L at the time, especially considering everything else he was already going through.

So, I do think Revolut missed clear and multiple indicators that Mr L's concerns weren't a simple as chargeback requests and that he clearly needed additional support. I think it should have called him when he asked them to and should have realised that he was going back to the same sites over and over again after repeatedly requesting chargebacks. That is unusual activity and not how most people interact with a website they've said they don't trust. The bank should have asked more questions to understand Mr L's behaviour and what was going on at the time he asked for help.

However, what is very difficult for me to make a clear finding on is what would have happened had Revolut done everything it should have done. Ultimately the money in Mr L's account is his and he's entitled to spend it as he sees fit. I appreciate that he was behaving in a compulsive way outside of his control at times but there's no suggestion he lacked the capacity to run the account himself. And he continued to use the unregulated sites long after he understood the risks involved. So, it's unclear to me what it is Revolut could have done that would have prevented Mr L from spending the money as he wanted to. And so, I can't say there's a clear link between Revolut's failure to offer more support, and Mr L's overall losses.

Therefore, while I am upholding this part of Mr L's complaint I think the compensation put forward by the investigator is appropriate and I'm not going to increase it.

Finally, Mr L has said that since he complained to Revolut he's been able to open new accounts and has used these to gamble again. He has questioned how he can do this given the mechanisms Revolut has said it has in place to identify and support vulnerable consumers, and in particular how it is possible to do it since explicitly telling the bank about his compulsive spending issues. Mr L has explained when he opens accounts with Revolut he only uses them to gamble and so each time he opens one it results in serious harm. I think it would be useful for Revolut to discuss this with Mr L, and if he agrees to it, the bank should put a marker in place that would flag Mr L as a vulnerable consumer so that if he were to apply for new accounts in the future his previous experiences could be considered and discussed before any new account application would be accepted.

### **Putting things right**

Revolut Ltd should pay Mr L £300 in recognition of its failure to identify him as a vulnerable consumer and offer him additional support.

### **My final decision**

For the reasons set out above I'm partially upholding Mr L's complaint against Revolut Ltd.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or

reject my decision before 17 October 2024.

Karen Hanlon  
**Ombudsman**