

THE COMPLAINT

Dr C holds/held an account with Revolut Ltd (“Revolut”).

Dr C’s complaint is about Revolut’s refusal to reimburse her money she says she lost due to a scam.

Dr C is represented by CEL Solicitors (“CEL”) in this matter. However, where appropriate, I will refer to Dr C solely in this decision for ease of reading.

WHAT HAPPENED

The circumstances of this complaint are well known to all parties concerned, so I will not repeat them again here in detail. However, I will provide an overview.

Dr C says she has fallen victim to a cryptocurrency related investment scam. She says fraudsters deceived her into making payments to what she thought was a legitimate investment opportunity. The Revolut payments in question are:

Payment Number	Date	Beneficiary / Merchant	Method	Amount
1	18 May 2023	Binance	Card	£3,010.19
2	24 May 2023	Ismael EM	Transfer	£4,980
3	25 May 2023	Alex-Grigore C	Transfer	£11,000

Revolut refused to reimburse the above payments, which Dr C raised a complaint about and referred to our Service.

One of our investigators considered the complaint and did not uphold it. In summary, the investigator thought Revolut should have intervened in Payment 3 by questioning Dr C. However, the investigator also thought had Revolut done so, Dr C would have still wanted to go ahead with Payment 3. This conclusion was reached due to Dr C misleading Lloyds Bank when it intervened in a transfer she was attempting to Revolut to fund the scam. CEL, on behalf of Dr C, rejected the investigator’s findings stating, in short, that had Revolut questioned Dr C on relevant discrepancies – she would have been more inclined to tell the truth.

As the investigator's findings were not accepted, this matter has been passed to me to make a decision.

WHAT I HAVE 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.

Having done so, I find that the investigator at first instance was right to reach the conclusion they did. This is for reasons I set out in this decision.

I would like to say at the outset that I have summarised this complaint in far less detail than the parties involved. I want to stress that no discourtesy is intended by this. If there is a submission I have not addressed, it is not because I have ignored the point. It is simply because my findings focus on what I consider to be the central issues in this complaint.

Further, under the rules I must observe, I am required to issue decisions quickly and with minimum formality.

Regulatory framework

The regulations which apply in this matter are the Payment Services Regulations 2017 ("the PSRs").

Should Revolut have recognised that Dr C was at risk of financial harm from fraud?

It is not in dispute that Dr C authorised the payment transactions in this matter. Generally, consumers are liable for payment transactions they have authorised. However, that is not the end of the story. This is because even if a payment is authorised, there are regulatory requirements and good industry practice which suggest firms – such as Revolut – should be on the look-out for unusual and out of character transactions to protect their customers from financial harm. And, if such payment transactions do arise, firms should intervene before processing them. That said, firms need to strike a balance between intervening in a customer's payment to protect them from financial harm, against the risk of unnecessarily inconveniencing or delaying a customer's legitimate transactions.

I have borne the above in mind when considering the payment transactions in this matter.

Payment 1

I am persuaded that Payment 1 was unusual and out of character. I say this because of the value of the transaction and the fact it was cryptocurrency in nature. So, I would have expected Payment 1 to have triggered Revolut's fraud detection systems – prompting it to intervene before releasing the transaction to try to protect Dr C from financial harm.

Payment 2

Before Dr C's payments in this matter, her Revolut account had limited usage. Further, Payment 2 was not made to a cryptocurrency platform. Taking these points together with the value of Payment 2, I am not persuaded it should have triggered Revolut's systems.

Payment 3

Although there was limited usage on Dr C's account, Payment 3 was a significant increase in spending. For this reason, I would have expected the transaction to have prompted an

intervention from Revolut.

What kind of intervention should Revolut have exercised?

Given the above aggravating factors, to my mind, there was an identifiable risk regarding Payments 1 and 3. I am mindful of the fact that the transactions occurred in May 2023. I have taken this together with the aggravating factors present. In doing so, my view is that a proportionate intervention to the risk identified would have been for Revolut to have provided Dr C with:

- **For Payment 1** – a tailored written warning relevant to cryptocurrency scams, tackling some of the key features of the scam.
- **For Payment 3** – an in-app chat intervention.

Revolut failed to carry out the above interventions.

Revolut did send an email to Dr C a day after Payment 1 on 19 May 2023. This email, in summary, provided a warning about investment scams. The investigator held that this warning was proportionate to the risk associated with Payment 1. I do not accept this – particularly given the fact the warning came after Payment 1 was made. To my mind, Revolut should have provided the written warning I have set out above before it allowed Payment 1.

If Revolut had carried out the interventions described, would that have prevented Dr C's losses?

I have explained why it would have been reasonable for Payments 1 and 3 to have triggered an intervention from Revolut. So, I must now turn to causation. Put simply, I need to consider whether Revolut's failure to intervene caused Dr C's losses. To do this, I need to reflect on whether such interventions (described above) would have likely made any difference. Having done so, I am not persuaded that they would have. I take the view that, on the balance of probabilities, Dr C would have frustrated Revolut's attempts to intervene to protect her from financial harm – thereby alleviating any concerns Revolut had.

I have reached this view for the following reasons.

On 25 May 2023, Dr C attempted to transfer £11,000 from her Lloyds Bank account to her Revolut account to fund the scam. Lloyds Bank initially did not allow this transaction and required Dr C to contact it. By telephone call on the same day, Dr C spoke to Lloyds Bank about the transfer. During that call, Dr C said, amongst other things:

- The transfer was for the purchase of a horse from an "Irishmen" – who had also sold some of her horses too.
- She had sent and received horses to and from Ireland previously – something which Brexit had made a "nightmare". Consequently, making payment from Revolut was "easier".
- She had not downloaded AnyDesk.

The above suggests that Dr C misled Lloyds Bank. I say this because the above is not consistent with Dr C's submissions to our Service. For example, Dr C did not tell Lloyds Bank that the transfer was for an investment, nor that she had in fact be instructed to download AnyDesk.

I have relied on what Dr C said during her call with Lloyds Bank as an indicator as to what she would have likely done had Revolut intervened.

This has been a difficult decision to make. I say this because I recognise that Dr C's account opening purpose (Cashback) was not consistent with the payments she made. Further, Payment 1 was made to a cryptocurrency platform. Therefore, I would have expected Revolut to have questioned Dr C about these points via an in-app chat intervention for Payment 3. That said, I am persuaded, on balance, that Dr C would have frustrated this intervention. I will explain why.

It has not been submitted that Dr C was coached by the fraudsters on what to say if Lloyds Bank or Revolut intervened. Therefore, this begs the question – why did Dr C choose to mislead Lloyds Bank? If Dr C did so of her own volition, it is difficult for me to conclude that she would not have likely attempted the same thing had Revolut intervened.

I accept there were conflicting factors about Dr C's payments that I would have expected Revolut to have questioned her about via the in-app chat. However, I have not seen anything to suggest that Dr C would not have been able to deal with these questions in way to ensure her payment was processed. Dr C was able to assuage any concerns Lloyds Bank had over the telephone. So, I find it more likely than not, that she would have been able to do the same with Revolut via an in-app chat – a method where she would have had more time to reflect on a narrative.

To be clear, as I take the view that an in-app intervention for Payment 3 would not have been successful, it follows that I think a written warning for Payment 1 would have had less chance of succeeding.

For the above reasons, in my judgement, had Revolut intervened in Payments 1 and 3 to try to protect Dr C from financial harm (in the ways described): it is likely she would have frustrated these interventions – thereby alleviating any concerns Revolut had.

Recovery of funds

I have considered whether Revolut acted appropriately to try to recover Dr C's funds once the fraud was reported.

Chargeback (Payment 1)

Chargeback is an entirely voluntary scheme, which means firms are under no formal obligation to raise a chargeback claim. The relevant scheme operator can arbitrate on a dispute between a merchant and customer if it cannot be resolved between them. However, such an arbitration is subject to the rules of the relevant scheme – so there are limited grounds on which a chargeback can succeed.

The service of purchasing cryptocurrency/exchanging funds into cryptocurrency – is not covered under the chargeback scheme concerned in this matter. This is because the exchanges in question provided their services as intended. This also applies to any payment processor involved, as they would have carried out their services as intended when transferring funds.

For these reasons, I find that any chargeback claim in this matter had little chance of success under the relevant chargeback scheme. It follows that I would not have expected Revolut to raise one on behalf of Dr C.

Transfers (Payments 2 and 3)

Dr C made her last payment in relation to the scam on 25 May 2023. She made Revolut aware of the scam for the first time in January 2024. Revolut says that recovery was unsuccessful. The likelihood that even if prompt action had been taken by Revolut on or immediately after it became aware of the scam, any of the money transferred would have been successfully reclaimed seems slim. I say this because of the time that had elapsed between Dr C's last payment and when she reported the scam. In these types of scams, fraudsters tend to withdraw/transfer out their ill-gotten gains immediately to prevent recovery.

Vulnerabilities

CEL, on behalf of Dr C, submit that she was vulnerable at the time of the scam and therefore susceptible to it. CEL submit Dr C had given her son her inheritance, which resulted in financial pressures. Further, Dr C had to spend time caring for her husband who had surgery. Consequently, Dr C required further income.

I have not seen anything to suggest that Revolut knew or ought to have known about Dr C's personal issues at the time. Therefore, I do not find that Revolut should have dealt with Dr C's payments any differently in this regard.

Compensation for distress and/or inconvenience

I have considered whether an award for distress and/or inconvenience is warranted in this matter. Having done so, I am not persuaded that it is. I have not found any errors in Revolut's investigation. Any distress and/or inconvenience Dr C has suffered is a result of the fraudsters' actions – not Revolut's.

Conclusion

Taking all the above points together, I do not find that Revolut has done anything wrong in the circumstances of this complaint. Therefore, I will not be directing Revolut to do anything further.

In my judgment, this is a fair and reasonable outcome in the circumstances of this complaint.

MY FINAL DECISION

For the reasons set out above, my final decision is that I do not uphold this complaint against Revolut Ltd.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms C to accept or reject my decision before 23 May 2025.

Tony Massiah
Ombudsman