

## THE COMPLAINT

Mr K holds/held an account with Revolut Ltd (“Revolut”).

Mr K’s complaint is about Revolut’s refusal to reimburse him money he says he lost due to a scam.

Mr K is represented by Wealth Recovery Solicitors (“WRS”) in this matter. However, where appropriate, I will refer to Mr K 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.

Mr K says he has fallen victim to a cryptocurrency related investment scam. He says fraudsters deceived him into making payments to what he thought was a legitimate investment. The payments in question are (not including returns, bounce backs, reverts, etc.):

Payment Number	Date	Beneficiary / Merchant	Method	Amount
1	26/05/2023	Binance	Card	£1,000
2	26/05/2023	Binance	Card	£2,000
3	26/05/2023	Mark S	Transfer	£2,000
4	02/06/2023	Binance	Card	£2,000
5	02/06/2023	Binance	Card	£1,999
6	02/06/2023	Mark S	Transfer	£6,000
7	05/06/2023	Mark S	Transfer	£8,000
8	07/06/2023	Binance	Card	£2,000
9	07/06/2023	Binance	Card	£1,999
10	09/06/2023	Mr K (Tap Global)	Transfer	£6,000
11	09/06/2023	Mr K (Tap Global)	Transfer	£5,000

12	09/06/2023	Mr K (Tap Global)	Transfer	£4,000
13	12/06/2023	Mr K (Tap Global)	Transfer	£1,000
14	13/06/2023	Mr K (Tap Global)	Transfer	£3,000
15	14/06/2023	Binance	Card	£2,000
16	14/06/2023	Binance	Card	£1,999
17	14/06/2023	Mr K (Tap Global)	Transfer	£500
18	16/06/2023	Mr K (Tap Global)	Transfer	£7,000
19	19/06/2023	Mr K (Tap Global)	Transfer	£1,500
20	20/06/2023	Mr K (Tap Global)	Transfer	£5,000
21	23/06/2023	Mr K (Tap Global)	Transfer	£6,000
22	23/06/2023	Mr K (Tap Global)	Transfer	£6,000
23	03/07/2023	Mr K (Tap Global)	Transfer	£9,000
24	18/08/2023	Mr K (Tap Global)	Transfer	£500
25	05/09/2023	Mr K (Tap Global)	Transfer	£3,000
26	11/09/2023	Mr K (Tap Global)	Transfer	£3,000
29	25/09/2023	Finn JMS	Transfer	£5,500
30	26/09/2023	Finn JMS	Transfer	£5,500
31	26/09/2023	Finn JMS	Transfer	£13,500
32	20/09/2023	Binance	Card	£5,000
33	20/09/2023	Binance	Card	£5,000

Mr K disputed the above with Revolut. When Revolut refused to reimburse Mr K, he raised a complaint, which he also referred to our Service.

One of our investigators considered the complaint and did not uphold it. In short, the investigator thought Revolut had done enough to try to protect Mr K from financial harm. WRS, on behalf of Mr K, rejected the investigator's findings. WRS argues, in summary, that Revolut should not have allowed Mr K's payments and should have gone further in its

interventions. They also argue Revolut could have done more in terms of recovering Mr K's funds.

As Mr K did not accept the investigator's findings, 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 section 225 of the Financial Services and Markets Act 2000, I am required to resolve complaints 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 Mr K was at risk of financial harm from fraud?**

It is not in dispute that Mr K 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.

Revolut intervened in some of Mr K's payments to try to protect him from financial harm. I intend on dealing with these interventions first. I will then address the payments Revolut did not intervene in later in this decision under the heading: *Should Revolut have exercised further interventions in relation to Mr K's other payments?*

### **What interventions did Revolut carry out?**

Below is a list of some of the key interventions Revolut carried out in this matter:

Date	Payment	New Beneficiary Warning	Questionnaire	Payment Purpose	Tailored Warning to Payment Purpose	Human Intervention
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26/05/2023	£2,000 to Mark S	Yes	-	Something Else	Yes	-
31/05/2023	£5,000 to Binance (declined)	-	-	-	-	Yes
09/06/2023	£6,000 to Mr K (declined)	Yes	-	Safe Account	Yes	-
09/06/2023	£6,000 to Mr K	-	-	Crypto Currency	Yes	-
09/06/2023	£5,000 to Mr K	-	-	Crypto Currency	Yes	-
09/06/2023	£4,000 to Mr K (declined)	-	Yes	Something Else	Yes	Yes
09/06/2023	£4,000 to Mr K	-	-	Crypto Currency	Yes	-
28/06/2023	Reverted £3,000	-	-	-	-	Yes
14/09/2023	£12,000 to Mr K	-	Yes	Transfer to my other account	Yes	Yes
25/09/2023	£5,500 to Finn JMS	Yes	Yes	Pay a family member or friend	Yes	-

### **Were Revolut's interventions proportionate?**

Based on the above, Revolut provided Mr K with countless types of warnings for the payment purposes he selected, which he did not heed. Revolut also spoke to Mr K about his payments in-app on at least four occasions whereby further warnings were provided.

I have considered the in-app chats between Mr K and Revolut. Having done so, I am satisfied that Mr K frustrated Revolut's attempts to try to protect him from financial harm. In the chats, Revolut questioned Mr K about his payments and provided him with warnings, but his answers frustrated this. For example, Mr K confirmed, amongst other things:

- He was not induced by an advertisement regarding the scam, nor was he contacted by anyone.
- He conducted his own research.
- In one exchange, that he was transferring money to a friend via Binance.
- No third-party was involved.
- He was not advised to open a Revolut account.

The above answers were misleading. I say this for the below reasons.

In WRS's submissions on behalf of Mr K, they state that Mr K came across the scam because of an advertisement he had seen on WhatsApp – this led him to being contacted by the fraudsters. WRS also submitted that Mr K had not carried out any research. It is further submitted that Mr K made the payments concerned as part of an investment – whereby a third party was guiding him. Lastly, given Mr K opened his Revolut account shortly before he made his first payment towards the scam – it seems likely he opened it for this purpose. All these points contradict what Mr K told Revolut (above).

Mr K also provided inaccurate answers to some of the questions in Revolut's questionnaires – particularly around payment purpose.

Below are further examples of some of Mr K's comments during his exchanges with Revolut via the in-app chat:

*"It was a mistake when I chose safe account. I wanted to choose cryptocurrency as payment reason but it was not there. 1. NO 2. NO 3.NO How many times do I need to tell you that I was not contacted by anyone. You guys are unbelievable."*

*"Hello. I am using Tap Global. Yes I own and have access to cryptocurrency account where I am transferring funds. Yes I've successfully made withdrawal of funds that I deposited. I found out about this crypto account online and made my research about it. I've been investing in crypto for more than 1 month."*

*"This is unacceptable I've already done this security check 3 times with your support team and it's become nightmare using Revolut. You keep asking me same questions and I've made myself clear that I am fully aware of what I am doing. So unblock my account ASAP."*

To my mind, the above comments speak for themselves. Mr K was determined to make his payments – despite warnings provided by Revolut. Even if it could be argued that Revolut should have gone further in its interventions, given Mr K's responses, I am not persuaded this would have made a difference in the circumstances.

For the above reasons, I am satisfied that Revolut's interventions were proportionate to the risks identified and, importantly, the information Mr K provided .

### **Should Revolut have exercised further interventions in relation to Mr K's other payments?**

Given the volume of payments in this matter, I have not attempted to identify individual trigger points. Instead, I have taken a holistic approach when considering the payments. Having done so, I think it is arguable that some of Mr K's other payments should have triggered interventions. Whilst this may be arguable – my view is that such interventions would have been few and far between. I say this because as Mr K continued to make payments to the payees concerned, without any issues, they would have become 'established'. Further, the continued payments would have set a precedent in terms of spending on the account.

In any event, I am not persuaded that had Revolut carried out further interventions this would have made a difference. I still take the view that these interventions would have been frustrated by Mr K. I have not seen anything to suggest he would have responded to other interventions any differently to how he did above.

### **Recovery of funds**

I have considered whether Revolut acted appropriately to try to recover Mr K's funds once

the fraud was reported.

### **Payment transfers**

Mr K's payment transfers were made from Revolut to a Tap Global account in his name. Thereafter, those funds were either moved directly to the fraudsters, or, if not – Mr K should be able to withdraw them from his Tap Global account. Further or alternatively, as Mr K's payments were made to purchase cryptocurrency – which would have been forwarded on in this form – there would not have been any funds to recover.

Turning to the payment transfers to Mark S and Finn JMS. From what I can see, Revolut attempted to recover these funds but was unsuccessful. Further or alternatively, the likelihood that even if prompt action had been taken by Revolut on or immediately after the fraud was reported, any of Mr K's money would have been successfully reclaimed seems slim. I say this because of the time that had elapsed between Mr K's last payment (26 September 2023) and when he reported the scam (23 October 2023). In these types of scams, fraudsters tend to withdraw/transfer out their ill-gotten gains immediately to prevent recovery.

So, I am satisfied that it is unlikely Revolut could have done anything to recover Mr K's payment transfers.

### **Card payments (chargeback)**

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 Mr K.

### **Vulnerabilities**

I have not seen anything to suggest Mr K's circumstances at the time of the scam would amount to him being considered as vulnerable. In any event, there is nothing to suggest that Revolut knew or ought to have known about any potential vulnerabilities. Therefore, I do not find that Revolut should have dealt with Mr K'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 Mr K 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 Mr K to accept or reject my decision before 11 June 2025.

Tony Massiah  
**Ombudsman**