

THE COMPLAINT

Mr H complains that Revolut Ltd (“Revolut”) will not reimburse him money he says he lost when he fell victim to a scam.

Mr H is represented by CEL Solicitors (“CEL”) in this matter. However, where appropriate, I will refer to Mr H 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 H says he and his wife have fallen victim to a recovery scam. Mr H says a scammer deceived him and his wife into making payments towards what they thought was a scheme to recover money they had lost due to a scam which took place in 2020.

I do not intend on setting out a detailed list of all the payments in question. I say this given the volume and the fact that neither party in this matter has disputed the list of transactions the investigator at first instance set out in their assessment. Instead, I will provide a summary. The transactions concerned appear to be:

- Approximately 30 in total.
- Made between January 2022 and September 2023.
- Card and payment transfers.
- Made to Coinbase, Mr H, Binance, MI, NobleDigital and YY Group.
- Ranging from approximately £2 to £8,500.

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

One of our investigators considered the complaint and did not uphold it. As Mr H 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.

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

It is not in dispute that Mr H 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.

My findings

Below are the key points of my findings:

- Mr H made the following payments on 14 February 2022: £8,500, £5,000, £2,190 and £1,146. These were made to Coinbase, Binance and MI (x2) respectively. I would have expected the second payment of £5,000 at the very least to have triggered Revolut’s fraud detection systems; prompting it to intervene to try to protect Mr H from financial harm. I say this given the value of the transaction, particularly when taken together with the £8,500 payment made on the same day.
- Given the above aggravating features, my view is that a proportionate intervention to the risk identified would have been for Revolut to have carried out a human intervention via the in-app chat regarding the £5,000 transaction. That is, Revolut should have made further enquiries with Mr H and provided relevant warnings. Revolut failed to do this.
- However, I am not persuaded that if Revolut had carried out such an intervention it would have made any difference in the circumstances. I have seen little to persuade me that such an intervention would have likely resonated with Mr H:
 - CEL’s submissions on Mr H’s behalf suggest that he was very much under the spell of the scammer at the time.
 - Revolut did carry out some automated interventions regarding Mr H’s payments. These were for transactions made on 14 February 2022 (£2,190 to MI), 24 August (£2,050 to NobleDigital) and 2 September 2023 (£510 to YY Group). In two of those interventions, Revolut asked Mr H about the purpose of his payments and presented him with a questionnaire. In the questionnaire, one of the questions stated, amongst other things: *“Is anyone telling you how to answer these questions?”* Mr H responded, *“No, I am not being assisted through this questionnaire”*. This is contrary to what CEL has submitted to this Service – whereby it states the scammer told Mr H what to say during an intervention. This means despite being ‘coached’ and seeing Revolut’s warning about such behaviour, Mr H decided to go ahead with his

payments regardless.

- On 18 September 2023, Revolut, via chat, questioned Mr H about the purpose of his £2,050 payment to NobleDigital. Mr H responded: “*To buy an online service to promote business.*” This means that even at this late stage of the fraud – Mr H was not truthful about the purpose of his payment, which was, according to CEL’s submissions to this Service: for ‘recovery’.
- In the same chat, Mr H confirmed he had not downloaded AnyDesk. However, in CEL’s submissions, they confirm that Mr H had downloaded such software.
- Taking all the above points together, I am not persuaded that a pre-FCA Consumer Duty in-app human intervention would have broken the spell the scammer had woven. I have relied on the above points as an indication as to how Mr H would have likely responded to such an intervention regarding the £5,000 payment on 14 February 2022. Having done so, I find, on balance, that Mr H would have likely frustrated the intervention – thereby alleviating any concerns Revolut may have had about Mr H’s payments.
- I am also not persuaded this is a case where Revolut, contrary to Mr H’s instructions, should have refused to put his payment transactions through.
- Finally, I have not seen anything to suggest that Mr H would not have responded in the way described above in relation to any other potential interventions from Revolut.

Recovery of funds

I have considered whether Revolut acted appropriately to try to recover Mr H’s funds once the fraud was reported.

Payment transfers

Some of Mr H’s payment transfers were made from his Revolut account to cryptocurrency accounts in his name. Thereafter, those funds were either moved directly to the fraudsters, or, if not – Mr H should be able to withdraw them from his accounts. Further or alternatively, as Mr H’s payments were made to purchase cryptocurrency (peer-to-peer or otherwise) – which would have been forwarded on in this form – there would not have been any funds to recover.

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 H’s money would have been successfully reclaimed seems slim. I say this because of the time that had elapsed between Mr H’s last payment (September 2023) and when he reported the scam (April 2024). 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 H’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 have raised one on behalf of Mr H.

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.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 2 September 2025.

Tony Massiah
Ombudsman