

The complaint

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

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

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 of events.

Mr C says he has fallen victim to an investment scam. He says he was deceived by fraudsters into making payments towards what he thought was a genuine investment with a company called Delta. The payments in question are:

Payment Number	Date	Beneficiary	Method	Amount
	18 October 2023	Coinbase	Card	£1,000 (declined)
	18 October 2023	Binance	Card	£2,000 (declined)
1	18 October 2023	MW	Transfer	£2,000
2	23 October 2023	MW	Transfer	£500
3	25 October 2023	MW	Transfer	£1,100
4	27 October 2023	MW	Transfer	£1,000
	27 October 2023	Coinbase	-	£236.56 (credit)
5	29 October 2023	MW	Transfer	£1,200

	29 October 2023	MW	-	£1,097 (credit)
6	29 October 2023	Coinbase	Card	£1,000
7	29 October 2023	Moonpay	Card	£97

Mr C disputed the above with Revolut. When it refused to reimburse him, Mr C raised a complaint, which he also referred to our service.

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

Regulatory framework

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

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

It is not in dispute that Mr 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.

Declined payments

Mr C's declined payments on 18 October 2023 triggered Revolut's systems. Revolut declined these payments and provided Mr C with a warning: '*Transaction declined. High scam risk.*' Mr C confirmed to Revolut that he was not being guided to make the payments,

and that they were part of an investment. Consequently, Revolut provided Mr C with a written cryptocurrency investment scam warning.

I acknowledge the attempted payments were cryptocurrency related transactions. However, given the relatively low values of them – I am persuaded that the above was a proportionate intervention to the risk Revolut identified.

Payment 1

Payment 1 triggered Revolut's systems. Revolut provided Mr C with the following warning: *'Something doesn't look right. Your transaction has been flagged by our system as a potential scam. To continue, we need to ask you some questions.'* Mr C continued by providing the following answers to Revolut's questions:

- Purpose of the payment? *Pay a family member or friend.*
- If you're being scammed, the fraudster may ask you to hide the real reason for this payment? *I understand.*
- Is anyone telling you how to answer these questions? Is someone telling you which options to choose or telling you this is urgent? *No, I am not being assisted through this questionnaire.*
- What are you paying them for? *Paying back for something they purchased on my behalf.*
- Has this person asked for help unexpectedly? Fraudsters will contact victims, impersonating a family member or friend who has lost access to their accounts, or isn't able to pay or transfer funds? *No.*
- Have you paid this person before? *Yes, using different bank details.*
- How did they provide the bank details? *Face to face.*

Thereafter, Mr C provided an acknowledgment that Revolut warned him about the payment he was attempting, and the risks involved.

Given the relatively low value of Payment 1, I am persuaded that the above was a proportionate intervention to the risk Revolut identified.

Other payments

Payments 2 to 5

I am not persuaded that Payments 2 to 5 should have triggered Revolut's systems. I say this for the following reasons. First, Mr C confirmed 'MW' to be safe when he made Payment 1 (see above). Secondly, these individual payments were not for a relatively high amount. Thirdly, they were sufficiently spaced out over a few days. Fourthly, each unchallenged payment would have alleviated any concerns Revolut may have had.

For these reasons, I am not satisfied that Payments 2 to 5 should have triggered Revolut's systems prompting it to intervene.

Payments 6 and 7

I am not persuaded that Payments 6 and 7 should have triggered Revolut's systems. I acknowledge the payments were cryptocurrency related. However, I have weighed this aggravating factor against the following. First, Payments 6 and 7 were not high in value. Secondly, Mr C already received a cryptocurrency warning which he did not heed (see above). Thirdly, Mr C selected 'crypto' when he opened his Revolut account, which matched the purposes of Payments 6 and 7 – thereby decreasing the need for Revolut to intervene.

For these reasons, I am not satisfied that Payments 6 and 7 should have triggered Revolut's systems prompting it to intervene.

If Revolut had intervened, would that have made a difference?

Even if there was a reasonable argument to suggest Payments 2 to 7 should have prompted Revolut to intervene (which I do not accept) – I am not persuaded this would have made a difference in the circumstances.

I say this for the following reasons.

First, Mr C was effectively introduced to the investment scam by a friend he had known for several years. This friend sent Mr C a video – from a well-known social media platform – which talked about the investment. I have no doubt that this would have reassured Mr C that he was making payments towards a legitimate enterprise.

Secondly, Mr C's then representatives, CEL Solicitors, submitted, amongst other things, that the below factors played a part in Mr C falling under the fraudsters' spell:

- Mr C believed the video would have been vetted because of the social media platform it was on.
- The fraudsters were incredibly professional.
- The fraudsters gave the impression they were in a busy trading office.
- Mr C believed only a legitimate enterprise would have such a formal onboarding process.
- Mr C's trading account was professional.
- Credits Mr C received from the scam.

Thirdly, Mr C says he provided the answers he did to Revolut's questions (see above) because he was coached by the fraudsters to do so to make the process 'smoother'. Further, Mr C says he took no issue with this because his friend had done the same. I have not seen anything to suggest that had written warnings been provided regarding Payments 2 to 7 – Mr C would not have acted in the same way he had done previously.

In my judgment, the above are a combination of persuasive factors. When taken as a whole, they suggest that had Revolut intervened in Payments 2 to 7 to try to protect Mr C from financial harm (in the way described above): it is likely Mr C would have frustrated this intervention – thereby alleviating any concerns Revolut had.

Recovery of funds

Fund transfers (Payments 1 to 5)

Mr C made his last payment to Revolut on 29 October 2023. He reported the scam to Revolut on 21 November 2023. Revolut started recovery action on 18 December 2023.

The likelihood that even if prompt action had been taken by Revolut on or immediately after 21 November 2023, any of the money transferred would have been successfully reclaimed seems slim. I say this because of the time that had elapsed between Mr C's last payment and when he reported the scam. In these types of scams, fraudsters tend to withdraw/transfer out their ill-gotten gains immediately to prevent recovery.

Card payments (Payments 6 and 7)

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 C.

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 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.

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 C to accept or reject my decision before 10 April 2025.

Tony Massiah
Ombudsman