

The complaint

Mr H complains that Revolut Ltd (Revolut) is refusing to refund him the amount he lost as the result of a scam.

Mr H is being represented by a third party. To keep things simple, I will refer to Mr H throughout my decision.

What happened

The background of this complaint is well known to all parties, so I won't repeat what happened in detail.

In summary, Mr H had previously been victim to a scam and received a call out of the blue from a company I will call X. X told Mr H that it was able to recover the funds Mr H had lost to that scam (3.5 BTC). Mr H then received an email from X explaining what it was able to do.

Mr H was required by X to download remote access software so X could help him with the processes involved in recovering the funds, and Mr H was required to make multiple payments via a cryptocurrency exchange before the funds could be released.

Mr H was then given multiple reasons by X that he would have to make additional payments before the funds could be released.

Mr H realised he had fallen victim to a scam when X told him that his account held with another provider had been linked to money laundering. Mr X knew this couldn't be correct and he cut all communication with X.

Mr H made the following payments in relation to the scam:

Payment	Date	Payee	Payment Method	Amount
1	27 March 2023	Simplex_nevadaex	Debit Card	£50
2	27 March 2023	Simplex_nevadaex	Debit Card	£150
3	27 March 2023	Simplex_nevadaex	Debit Card	£200
4	27 March 2023	Simplex_nevadaex	Reverted	(£6,350)
5	27 March 2023	Simplex_nevadaex	Debit Card	£5,000
6	27 March 2023	Simplex_nevadaex	Debit Card	(£1,500)
7	27 March 2023	Simplex_nevadaex	Reverted	£1,500
8	27 March 2023	Simplex_nevadaex	Debit Card	£530
9	27 March 2023	Simplex_nevadaex	Transfer	£10
10	30 March 2023	Simplex_nevadaex	Declined	(£4,500)
11	30 March 2023	Simplex_nevadaex	Declined	(£4,500)
12	18 April 2023	Simplex_nevadaex	Debit Card	£4,650
13	18 April 2023	Simplex_nevadaex	Debit Card	£9,200
14	18 April 2023	Simplex_nevadaex	Debit Card	£690
15	26 June 2023	Simplex_nevadaex	Debit Card	£500
16	26 June 2023	Simplex_nevadaex	Declined	(£1,000)

17	26 June 2023	Simplex_nevadaex	Declined	(£1,000)
18	26 June 2023	Simplex_nevadaex	Declined	(£1,997)
19	26 June 2023	Simplex_nevadaex	Declined	(£1,998)
20	26 June 2023	Simplex_nevadaex	Declined	(£1,001)
21	26 June 2023	Simplex_nevadaex	Debit Card	£500
22	26 June 2023	Simplex_nevadaex	Declined	(£2,000)
23	26 June 2023	Simplex_nevadaex	Declined	(£2,000)
24	26 June 2023	Simplex_nevadaex	Declined	(£500)
25	26 June 2023	Simplex_nevadaex	Declined	(£500)
26	26 June 2023	Simplex_nevadaex	Transfer	£4,100
27	4 July 2023	Simplex_nevadaex	Credit	£4,100cr
28	5 July 2023	Simplex_nevadaex	Debit Card	£50
29	5 July 2023	Simplex_nevadaex	Debit Card	£200
30	5 July 2023	Simplex_nevadaex	Debit Card	£397.89
31	5 July 2023	Simplex_nevadaex	Declined	(£1,500)
32	5 July 2023	Simplex_nevadaex	Declined	(£1,590.03)
33	5 July 2023	Simplex_nevadaex	Declined	(£1,590.03)
34	5 July 2023	Simplex_nevadaex	Declined	(£1,583.44)
34	5 July 2023	Simplex_nevadaex	Declined	(£793.47)
36	5 July 2023	Simplex_nevadaex	Declined	(£793.47)
37	6 July 2023	Simplex_nevadaex	Debit Card	£1,590.62
38	6 July 2023	Simplex_nevadaex	Debit Card	£1,746.40
39	6 July 2023	Simplex_nevadaex	Debit Card	£127
40	11 July 2023	Simplex_nevadaex	Debit Card	£200

Our Investigator considered Mr H's complaint and didn't think it should be upheld. Mr H disagreed he said Revolut should have done more to protect him. As an informal outcome could not be agreed this complaint has been passed to me to decide.

What I've 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.

It has not been disputed that Mr H has fallen victim to a cruel scam. The evidence provided by both Mr H and Revolut sets out what happened. What is in dispute is whether Revolut should refund the money Mr H lost due to the scam.

Recovering the payments Mr H made

Mr H made the payments into the scam using his debit card. When payments are made using a debit card the only option available to Revolut to recover the payments is to request a chargeback.

The chargeback scheme is a voluntary scheme set up to resolve card payment disputes between merchants and cardholders. The card scheme operator ultimately helps settle disputes that can't be resolved between the merchant and the cardholder.

Such arbitration is subject to the rules of the scheme, meaning there are only limited grounds and limited forms of evidence that will be accepted for a chargeback to be considered valid, and potentially succeed. Time limits also apply.

Mr H was dealing with the scammer, which was the business that instigated the scam. But Mr H didn't make the debit card payments to the scammer directly, he paid a separate

cryptocurrency exchange. This is important because Revolut was only able to process chargeback claims against the merchant he paid, not another party.

The service provided by the exchange would have been to convert or facilitate conversion of Mr H's payments into cryptocurrency. Therefore, it provided the service that was requested; that being the purchase of the cryptocurrency.

The fact that the cryptocurrency was later transferred elsewhere – to the scammer – doesn't give rise to a valid chargeback claim against the merchant Mr H paid. As the requested service was provided to Mr H any chargeback attempt would likely fail.

Should Revolut have reasonably prevented the payments Mr H made?

It has been accepted that Mr H authorised the payments that were made from his account with Revolut, albeit on X's instruction. So, the starting point here is that Mr H is responsible.

However, banks and other Payment Services Providers (PSPs) do have a duty to protect against the risk of financial loss due to fraud and/or to undertake due diligence on large transactions to guard against money laundering.

The question here is whether Revolut should have been intervened when Mr H made the payments. And if it had intervened, would it have been able to prevent the scam taking place.

The payments Mr H made in relation to the scam were made using his debit card and he had to verify the payments using 3DS secure which confirmed it was Mr H making the payments himself.

I don't think Revolut had any reason to have concerns about the first payments Mr H made in relation to the scam. The payments were for reasonably low values, and I don't think they carried an increased risk of causing financial harm.

However, when Mr H made payment 5 he was making a payment for a much more significant value (£5,000) to a known cryptocurrency exchange. Given the increased risk associated with this type of payment, that Revolut would have been aware of at the time I think it should have recognised the increased risk and provided a proportionate intervention.

I think a proportionate intervention would have been for Revolut to have provided a tailored written warning that covered the key features of cryptocurrency scams. But I don't think this, or any further intervention carried out by Revolut would have made a difference. I will explain why.

On 30 March 2023 a conversation between Mr H and Revolut took place via its online chat facility and Mr H was asked a series of questions.

Mr H confirmed he had not downloaded any remote access software even though Revolut had asked specifically about the software Mr H had been asked to download, and he had not received any calls recently from anyone telling him to create a Revolut account and encouraging him to make an outbound transfer.

Mr H was questioned again in the chat and confirmed, no one was pressuring him to make payments, he had not been promised returns, he had not been contacted or encouraged to invest by someone he had only met recently online, and he was buying cryptocurrency to his own personal wallet.

Revolut then provided a warning stating:

'Please be aware that scammers are using increasingly sophisticated techniques to gather personal information and convince customers to transfer funds in complex scams.'

Given the circumstances of the payments Mr H was making I think some of the questioning and the warning should have resonated with him and I don't think he gave honest answers. Someone new had randomly contacted him asking him to move money to recover funds and although he was initially moving money to his own wallet it was on the basis that this would allow him to recover funds he had previously lost because of a scam. Mr H was also using the specific remote access software Revolut had warned against.

It's also clear from the evidence Mr H has provided of conversations between himself and X that at the time he was answering Revolut's questions he was taking guidance from X on exactly what to say. Even though the answers Mr H was being told to give Revolut were not correct Mr H continued to answer in the way he had been advised to.

In addition to the above Mr H referred to X several times when facing other obstacles such as when he attempted to get an advance on his credit card he asked, *'If I phone them and they ask where the money is coming from what should I tell them.'*

Overall, I think it's clear from the evidence provided that Mr H had trust in X from an early stage and was willing and sought X's guidance when making payments in relation to the scam. Mr H was also willing to be dishonest to have the payments processed.

With the above in mind, I think it's most likely that had Revolut intervened on any other occasion Mr H would have sought X's guidance on how to answer its questions and dishonest answers would have been provided.

So, I don't think Revolut missed an opportunity to prevent the scam and it is not responsible for Mr H's loss.

My final decision

I don't 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 11 April 2025.

Terry Woodham
Ombudsman