

THE COMPLAINT

Miss W holds/held an account with Revolut Ltd.

Miss W's complaint is about Revolut's refusal to reimburse her money she says she lost due to a scam.

Miss W is represented by CEL Solicitors ("CEL") in this matter. However, where appropriate, I will refer to Miss W solely in this decision for ease of reading.

WHAT HAPPENED

Miss W says she has fallen victim to a cryptocurrency linked job scam. In short, she says that fraudsters tricked her into making payments to receive income for completing various job tasks.

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

- Approximately 12 in total.
- Made between 1 January 2024 to 12 January 2024.
- Seven payment transfers; five card payments; and five cryptocurrency exchanges.
- Payment transfers to Coinbase and card payments to Onlychain.
- Ranging from approximately £1000 to £8,216.52.

Miss W disputed the above with Revolut. When Revolut refused to reimburse Miss W, she raised a complaint, which she also referred to our service.

One of our investigators considered the complaint and did not uphold it. As Miss W 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.

Jurisdiction

Firms – such as Revolut – are regulated and authorised for payment activities, which include the accepting of deposits into an account. The exchange of money into another currency is generally considered ancillary to a regulated or otherwise covered activity – and our rules allow us to consider ancillary activities. I take the view that an exchange by a firm of fiat currency into cryptocurrency that is subsequently sent out externally can also be an ancillary activity, and therefore complaints about this fall within our jurisdiction.

Given the above – and the fact that Miss W's complaint involves an allegation that Revolut should have intervened in the exchanges concerned to protect her from financial harm – I am satisfied that our Service can consider this complaint.

Regulatory framework

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

8 May 2025 email

On 8 May 2025, I sent CEL an email with my provisional thoughts not upholding this complaint. I attach a copy of that email below – both for background information and to supplement my reasons in this final decision. I would invite the parties involved to read/re-read the email.

CEL's response to my email

"Our client contends that, given her customary spending patterns, Revolut ought to have been significantly alerted by the atypical transactions she commenced. She asserts that Revolut should have engaged her in a detailed discussion regarding these unusual payments, as such an intervention could have potentially uncovered the fraudulent activity. Additionally, it is well-known that scammers often instruct victims on how to deceive financial institutions. The bank should have recognised the likelihood of our client being coached during the incident."

My response

Having considered CEL's response, I take the view that I have already addressed their points in my 8 May 2025 email. Therefore, I see no reason to depart from my reasoning set out in the email.

Recovery of funds

I have considered whether Revolut acted appropriately to try to recover Miss W's funds once the fraud was reported, which it claims it was unsuccessful in trying to do so.

Payment transfers and the exchanges

Miss W's payment transfers were made from Revolut to crypto accounts in her own name. Thereafter, those funds were either moved directly to the fraudsters, or, if not – Miss W should be able to withdraw them from her accounts. Further or alternatively, as Miss W's payments were made to purchase cryptocurrency (and exchanges) – which would have been forwarded on in this form – there would not have been any funds to recover.

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 Miss W.

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 Miss W 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 Miss W to accept or reject my decision before 18 June 2025.

COPY OF EMAIL SENT TO CEL ON 8 MAY 2025

Dear Sir/Madam

I am the ombudsman Miss W's complaint against Revolut Ltd has been allocated to for a decision.

At our Service, we aim to work informally where possible. Therefore, I am emailing you for speed and convenience in the first instance to explain my provisional thoughts about this complaint. I am not intending on following up this email with a formal final decision unless asked to do so.

One of our investigators didn't uphold Miss W's complaint, which she didn't accept. Having reviewed the material in this matter, I take the view that if I were to issue a formal final decision, I would likely not uphold this complaint.

Complaint

I have attached the intervention information that you requested from the investigator. Having considered that and Revolut's other interventions, I have identified the following instances where Revolut provided Miss W with warnings; and where Miss W was not forthcoming in her answers to Revolut's questions:

- **1 January 2024 (£1381.05 attempted transfer to Mansurovi - in-app chat):**
 - Miss W confirmed that she was not guided to make the transaction
 - Miss W confirmed she had not been asked to complete a set of tasks to earn a fee
- **1 January 2024 (£2630.65 to Coinbase - payment purpose/warning)**
 - Revolut provided Miss W with a 'We think you're being scammed' warning
 - Revolut presented Miss W with a questionnaire - her answers are as follows:
 - Transfer to my other account
 - Confirmed that fraudsters may ask her to hide the real reason for her payment
 - Investment was for foreign exchange, commodities, stocks, or bonds
 - Discovered the investment opportunity (the scam) via friend or family member
 - Revolut provided a warning tailored to the payment purpose selected
- **2 January 2024 (£1526.15 to Miss W's Wise account - in-app chat)**
 - Miss W confirmed that no one had guided her to make the payment
 - Miss W confirmed that the purpose of the transfer was for investing in currency exchange
 - Miss W confirmed she was comfortable with making the payment
- **12 January 2024 (£3,363.96 to OnlyChain - warning/questionnaire)**
 - Miss W confirmed: 'No, I'm not being guided' and that the purpose of her payment was 'To transfer to another account'
 - Revolut provided Miss W with a warning tailored to the payment purpose selected (transfer to another account)
 - Miss W acknowledged Revolut's warning and confirmed a declaration to unblock her account

During all of the above instances, Miss W did not provide Revolut with correct information - thereby frustrating its attempts to protect her from the financial harm she was falling victim to. For example, Miss W was being guided by the fraudster, and she knew she was making her payments to complete 'job tasks'. These are two significant points Miss W did not disclose to Revolut. One striking feature is that Miss W told Revolut that she had discovered the investment opportunity (the scam) via friend or family member. Whilst it might be

arguable that Revolut could have questioned Miss W further, I am not persuaded, on balance, this would have made a difference. Miss W was not forthcoming with Revolut in its first intervention, and I have not seen anything to suggest she would have been had Revolut questioned her more and/or carried out further interventions.

The above is supported by the below.

By way of WhatsApp message on 4 January 2024, I can see that Miss W asked the fraudster, amongst other things, what she should tell Xe regarding a payment she was attempting through its platform to go towards the scam. Miss W goes so far as to provide the fraudster with the questions Xe had asked her about the payment. The fraudster then provided Miss W with some answers to mislead Xe. Despite showing some concerns about this, Miss W ultimately accepted what the fraudster had suggested - demonstrating how under the fraudster's spell she was.

Taking all the above points together, I am currently minded to find that Revolut acted fairly and reasonably in the circumstances of this complaint.

Please let me know if you have any further comments by 22 May 2025. If I haven't heard from you by then, I will arrange for this complaint to be closed informally without the need for a formal final decision, which would likely be the same outcome as above.

Tony Massiah
Ombudsman