

## The complaint

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

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

Mr B is represented by CEL Solicitors (“CEL”) in this matter. However, where appropriate, I will refer to Mr B 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 of events.

Mr B says he has fallen victim to a cryptocurrency related investment scam. Mr B says fraudsters deceived him into making payments to what he thought was a genuine investment. According to Revolut, the card payments in question are:

Payment Number	Date	Beneficiary/Merchant	Amount
1	17 October 2023	Simplex	£50
2	17 October 2023	Simplex	£450
3	18 October 2023	Simplex	£1,000
4	19 October 2023	Simplex	£600
5	21 October 2023	Simplex	£190
6	22 October 2023	Simplex	£200
7	29 October 2023	Simplex	£600
8	30 October 2023	Mercuryo	£175
9	31 October 2023	Simplex	£175
10	02 November 2023	Mercuryo	£450
11	03 November 2023	Simplex	£175
12	03 November 2023	Simplex	£100
13	05 November 2023	Simplex	£30
14	06 November 2023	Mercuryo	£400
15	08 November 2023	Simplex	£150
16	08 November 2023	Simplex	£1,500
17	09 November 2023	Simplex	£650
18	11 November 2023	Mercuryo	£150
19	11 November 2023	Mercuryo	£250
20	11 November 2023	Mercuryo	£250
21	12 November 2023	Mercuryo	£100
22	13 November 2023	Simplex	£200
23	13 November 2023	Simplex	£200

24	13 November 2023	Simplex	£200
25	13 November 2023	Simplex	£200
26	21 November 2023	Simplex	£1,460
27	21 November 2023	Simplex	£75

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

One of our investigators considered the complaint twice, and did not uphold it on both occasions. As Mr B 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.

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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 the rules I must observe, I am required to issue decisions 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 B was at risk of financial harm from fraud?

It is not in dispute that Mr B 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.

I am not persuaded that any of Mr B's payment transactions were that unusual or out of character. That is, I do not find that they should have triggered Revolut's fraud detection systems – prompting it to intervene to try to protect Mr B from financial harm. I acknowledge the payments were cryptocurrency in nature. However, I have weighed this against the

following:

- The payments were relatively low in value.
- The payments were sufficiently spaced out.
- The payments were made to well-known and legitimate cryptocurrency related entities.
- The payees concerned would have become established as Mr B continued to make the payments he did.
- Mr B selected his account opening purpose as *Crypto*. Therefore, his payments were not out of line in terms of what his account was set up for.

In response to the investigator's findings, CEL submits, on Mr B's behalf, that he opened his Revolut account for the purpose of the scam. CEL contends that this should have been a red flag to Revolut as several payments were being made from a new account to new payees. However, Revolut has stated that Mr B opened his account quite some time before the scam. The account was opened in October 2021 – with Payment 1 being made in October 2023.

In any event, I am not persuaded that Mr B's payments should have triggered Revolut's systems when weighing up the mitigating and aggravating factors surrounding the payments.

Even if it could be argued that some of the payments should have triggered tailored written warnings, I am not satisfied they would have been successful. I say this given CEL's submissions on Mr B's behalf, which suggest that at the time of the scam, Mr B was under the fraudsters' spell. This is supported by messages I have seen that are from a WhatsApp group involving the scam which Mr B was a member of. In that group, it does not appear that Mr B expresses any noticeable concerns about the scam. For these reasons, I take the view that Mr B would have frustrated any tailored written warning provided by Revolut.

#### Recovery of funds

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 B.

#### 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 B 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 B to accept or reject my decision before 7 May 2025.

Tony Massiah  
**Ombudsman**