

The complaint

Mr L says Revolut Ltd ('Revolut') didn't do enough to help when he fell victim to a cryptocurrency investment scam. He says Revolut should reimburse the money he lost.

What happened

As both parties are familiar with the circumstances of this complaint, I've summarised them briefly below.

In summary, Mr L fell victim to a cryptocurrency investment scam. In or around October 2022 Mr L came across an advert on social media for a cryptocurrency investment company – whom I'll call Company A. Mr L contacted them and says he made a payment of around £200. He checked his online wallet daily, but didn't see any profit. A few weeks later Mr L was then contacted by a broker from Company A who advised him he had made £9,000 profit. Mr L was told that in order to get the money, he needed to pay £3,000. On 15 November 2022, Mr L says the broker assisted him in topping up his R account with £3,000. This money was from an account Mr L held at another banking provider – whom I'll call M. From R a card payment for £3,000 was then made to a cryptocurrency exchange provider – whom I'll call B. It seems this was for the purchase of cryptocurrency which was sent on.

On 16 November 2022, Mr L received a £9,000 credit into his account at R from an unknown third party. Mr L says he was told these were his profit / returns. And on the same day a further two card payments, one for £5,000 and one for £4,000, were made to B.

Mr L was then told by the broker that he had around £80,000 profit and he needed to send a further £25,000 to obtain his profit / funds. Mr L says the broker from Company A assisted him in applying for a loan of £12,000, and the broker advised Mr L to inform him when the loan had been received. Mr L says the loan was granted but he wanted to use the money as he had lost all his savings and wanted to purchase a Christmas gift for his son. Mr L told the broker the loan had not been approved and the broker from Company A stopped contacting him.

Below are what I understand to be the relevant payments Mr L made to and from his R account:

Date	Transaction	Amount
04/11/2022	Card Top-Up into Mr L's R account	£100
04/11/2022	Card payment to a cryptocurrency exchange provider	-£100 (declined)
04/11/2022	Card payment to a cryptocurrency exchange provider	-£100 (declined)
04/11/2022	Card payment to a cryptocurrency exchange provider	-£100 (declined)
08/11/2022	Transfer to a third party payee	-£100
15/11/2022	Card Top-Up into Mr L's R account	£3,000
15/11/2022	Card payment to cryptocurrency exchange provider B	-£3,000
16/11/2022	Transfer into account from third party	£9,000
16/11/2022	Card payment to cryptocurrency exchange provider B	-£5,000 (declined)
16/11/2022	Card payment to cryptocurrency exchange provider B	-£5,000
16/11/2022	Card payment to cryptocurrency exchange provider B	-£4,000
	Mr L's actual loss	£3,100

Mr L contacted Revolut on 19 November 2022 as his account had been restricted. On 25 November 2022 Revolut advised Mr L that it was closing his account. Mr L advised Revolut in response that he was pressured into opening the account and sending the amounts and that it was scammers who had taken his money.

No formal complaint to Revolut was raised until after Mr L brought a complaint about M to this service. This resulted in Mr L wishing to complain about the actions of Revolut in addition to M.

Revolut formally responded to Mr L advising it couldn't assist with recovering his money through a chargeback. And this was because the chargeback rules require any chargeback to be raised within 120 days from the date of the transaction being complained about. Revolut advised as the transactions were in 2022 and it had not received contact about the matter prior to September 2024, he was therefore outside of the applicable 120-day time limit to raise a chargeback. So, it didn't consider it could help him further.

Our Investigator reviewed the matter and didn't uphold the complaint. Overall, they considered Mr L had authorised the card payment(s) to B and they didn't think Revolut ought to have done more to identify the payments as potentially fraudulent in the circumstances.

With regards to the recovery of any funds, and the chargeback process, they agreed it was raised outside of the 120-day time limit. And they also considered that a chargeback, even if it had been raised in time, wouldn't have had any prospect of success and Revolut wouldn't have been obliged to raise one as a result. This was because the chargeback would be against the merchant – here that is B. In this case, B would have successfully defended any chargeback raised against it. And this was because B would have provided the services asked of it. In essence there were no errors or failings by B.

Mr L has asked for an ombudsman's final decision. So, as the matter hasn't been resolved, it's 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.

In deciding what's fair and reasonable in all the circumstances of a complaint, I'm required to take into account relevant: law and regulations; regulators' rules, guidance and standards; codes of practice; and, where appropriate, what I consider to have been good industry practice at the time.

I'm aware that I've summarised this complaint and the responses briefly, in less detail than has been provided, and in my own words. No discourtesy is intended by this. Instead, I've focussed on what I think is the heart of the matter here – which is to determine whether Revolut should have done more to prevent or recover Mr L's losses. If there's something I've not mentioned, it isn't because I've ignored it. I haven't. I'm satisfied I don't need to comment on every individual point or argument to be able to reach what I think is the right outcome. Our rules allow me to do this. This simply reflects the informal nature of our service as an alternative to the courts.

Having thought carefully about Revolut's actions, I'm not upholding Mr L's complaint. I do appreciate how disappointing this will be for him. Mr L was a victim to a cruel scam and thought he was investing through a genuine company. But in weighing everything up, I don't think I can fairly say Revolut should reimburse him. I'll explain why.

Before I set out my findings, I would like to set out what I will be considering within this decision. I will only be considering the £3,000 card payment to B that was made on 15 November 2022. The subsequent incoming credit of £9,000 that was received into Mr L's account was from an unknown third party to Mr L, and who was likely a victim of a scam themselves and duped into paying money into Mr L's account. And Mr L wasn't to know it was a potentially fraudulent incoming payment either. So, while I appreciate this £9,000 was paid into Mr L's account, it wasn't Mr L's funds. And it therefore isn't his loss. So, I don't consider I need to discuss those payments further.

The relevant law and regulations in place at the time

In broad terms, the starting position at law is that a bank or Electronic Money Institute (EMI) – such as Revolut, is expected to process payments and withdrawals that a customer authorises it to make, in accordance with the terms and conditions of the customer's account.

Here, Mr L with the assistance of the scammer, authorised the card payment to B. Mr L knew it was for an amount of £3,000 and that it was intended for B, as this was the amount he believed he had to pay, in order to release what he thought was his profits. So, it is the case that Mr L authorised the card payment that is in dispute. And under the Payment Service Regulations 2017 (which are the relevant regulations in place here) that means Mr L is responsible for it. And that remains the case even though Mr L was the unfortunate victim of a scam.

However, there are times when I might expect a bank or EMI to question a transaction or payment, even though it may have been properly authorised. Broadly speaking, firms (like Revolut) should fairly and reasonably have been on the lookout for the possibility of fraud in order to protect its customers from the possible risk of financial harm as a result of fraud and scams.

What does this mean for Mr L?

In this case, I need to decide whether Revolut acted fairly and reasonably in its dealings with Mr L when he made the payment, or whether it should have done more than it did.

I've thought about this carefully. Having done so, I can't fairly say the card payment Mr L made would (or should) have alerted Revolut that Mr L was potentially at risk of financial harm, to an extent whereby it should have carried out some additional checks before processing the payment. So, I don't consider Revolut are liable for the losses Mr L incurred. I'll explain why.

I have to be mindful that banks and EMIs process a high volume of transfers and transactions each day. And a bank has to strike a balance as to when it should possibly intervene on a payment against not holding up or delaying its customer's requests.

While the payment was identifiably going to a cryptocurrency exchange provider – that in and of itself doesn't automatically mean that Mr L was potentially falling victim to a scam. It is a genuine cryptocurrency exchange provider. Not all payments to cryptocurrency exchange providers are as a result of a scam. I am aware that scams involving cryptocurrency were becoming increasingly prevalent. But, at the time this payment was made, I think it was fair and reasonable for a bank or EMI like Revolut to take into account a number of factors in deciding whether to make additional checks or further enquires with its customer about a particular payment.

Here, I don't consider there is anything about the payment or the amount that ought to have alerted Revolut to the possibility Mr L was being scammed or was at risk of financial harm at the time he made it. I say this because I'm mindful Mr L's account with Revolut was opened on 4 November 2022. So, it had only been opened for a very short period before the disputed card payment was made. This meant it was difficult for Revolut to determine whether the payment Mr L was making was out of character or unusual as it had no account history or activity to reasonably compare the payment against. And here Mr L had authorised the card payment to B through 3DS. So Revolut were satisfied that it was Mr L making the payment. And given the amount wasn't remarkable and there wasn't a suspicious pattern such as multiple, rapid and or increasing amounts being paid to B, I don't find it ought to have given Revolut cause for concern that Mr L was potentially at risk from financial harm from fraud when he made the £3,000 card payment to B.

So, all things considered; I think it was reasonable that the card payment didn't flag as suspicious – and I can't say Revolut acted unfairly here or that it could have prevented Mr L's loss.

Recovery of the funds – the chargeback process

I have also considered whether Revolut did all it could to try and recover the money Mr L lost. Arguably, when Mr L contacted Revolut on 25 November 2022 through its in-app chat about his account being restricted, Revolut could have identified that Mr L had likely fallen victim to a scam and explored potential recovery. But I'm satisfied it wouldn't have made a difference with the success of any recovery of Mr L's losses. This is because the payment Mr L made was a card payment, so the only option for recovery would have been a chargeback and this wouldn't have had any prospect of success because the payment was made to B (as the merchant) – and B would have successfully defended any chargeback raised against it as it had provided the services intended of it. So, despite any *potential* failings on Revolut's behalf here, it wouldn't have made a difference as it wouldn't have been able to help recover Mr L's funds in any event.

For completeness, it appears that Mr L topped up his Revolut account with £100 when the account was initially opened. And there were three attempted card payments to a cryptocurrency exchange provider on the same day which were declined. And then four days later a transfer for £100 to a third party was made. Mr L has only ever raised the card payment for £3,000 as his loss. It seems to me that this £100 was likely as a result of the scam Mr L fell victim to. But when considering this, I find it was likely authorised by Mr L with assistance of the scammer, and given the value of the payment I don't think Revolut needed to speak with Mr L about it. And given the time that has passed since, there was no likely prospect of Revolut being able to recover that money. So, I don't find there to have been any failings and don't consider Revolut are liable for the loss of that payment either.

Summary

While I appreciate Mr L's been the unfortunate victim of a cruel scam, I think Revolut's decision not to refund him in this instance was fair and reasonable in the circumstances.

I say this because I'm satisfied Revolut followed Mr L's instructions to make the payment, and I haven't seen any reason why it shouldn't have done this. And unfortunately, there wasn't anything further Revolut could do to help Mr L recover the card payment made to B, such as a chargeback, as it was raised outside of the time limits that apply. And even if it had been raised in time, there was also no prospect of success given the nature and purpose of the payment Mr L made and the services B provided in relation to that payment.

My final decision

For the reasons given above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 27 June 2025.

Matthew Horner
Ombudsman