

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. He says fraudsters deceived him and his wife, Mrs B, into making payments to what they thought was a legitimate investment with a company called, Handelex. The payments in question are:

Payment Number	Date	Beneficiary / Merchant	Type	Amount
	19 January 2023	Binance	Card	£5,000 (declined)
	19 January 2023	Binance	Card	£2,000 (declined)
	19 January 2023	Binance	Card	£5,000 (declined)
1	20 January 2023	Binance	Card	£500
2	20 January 2023	Binance	Card	£5,000
3	20 January 2023	Binance	Card	£4,000
4	23 January 2023	Binance	Card	£10,000
5	30 January 2023	Binance	Card	£20,000
6	03 February 2023	Binance	Card	£20,000

7	07 August 2023	Binance	Card	£10,000
	09 February 2023	Binance	Card	£15.71 (credit)
	24 February 2023	Binance	Card	£2,449.11 (credit)
	17 April 2023	Binance	Card	£5,000 (declined)
8	18 April 2023	Coinbase	Transfer	£100
9	18 April 2023	Coinbase	Transfer	£30,000
10	27 April 2023	Kraken Exchnage	Card	£4,000
	27 April 2023	Coinbase	Transfer	28391.48 (credit)
11	27 April 2023	Clear Junction Limited Kraken	Transfer	£19,857
12	27 June 2023	Clear Junction Limited Kraken	Transfer	£40,000
13	27 July 2023	Clear Junction Limited Kraken	Transfer	£20,000
14	31 July 2023	Clear Junction Limited Kraken	Transfer	£15,500
15	07 August 2023	Clear Junction Limited Kraken	Transfer	£51,000

Mr B disputed the above with Revolut. When Revolut refused to reimburse Mr B, he raised a complaint – on two separate occasions – which he also referred to our Service.

One of our investigators considered the complaint and did not uphold it. In summary, the investigator thought that Revolut had done enough to try to protect Mr B from financial harm. Mr B rejected the investigator's findings stating, in short, that Revolut should have gone further in its interventions – such as, more robust warnings and questioning.

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.

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 proportionately 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.

Interventions which Revolut carried out

Revolut intervened in some of Mr B's payments to try to protect him from financial harm. I intend on dealing with these interventions first. I will then address the payments Revolut did not intervene in later in this decision under the heading: *Should Revolut have exercised further interventions in relation to Mr B's other payments?*

These are the dates of the three interventions Revolut carried out:

- 19 January 2023 – after the declined payments, but before Payment 1.
- 18 April 2023 – in relation to Payment 9.
- 27 April 2023 – in relation to Payment 11.

19 January 2023 intervention

On 19 January 2023, Mr B or Mrs B, it is not entirely clear, attempted at least three payments to Binance which Revolut declined. Consequently, Revolut restricted Mr B's account and contacted him via an in-app chat to ask questions. It appears as if Mrs B, on Mr B's behalf, was speaking to Revolut during the in-app chat. Revolut asked, amongst other things, for details about the attempted payments. Mrs B responded:

"We don't use any finance managing or shared wallet applications haven't downloaded any desk We have used Zoom to discuss the Handelex platform The account is to buy stocks and shares and everyday spending as not getting any interest from current bank We made an enquiry to Handelex who advised us to use your bank."

Revolut also asked:

"Could you please confirm if you been promised returns which possibly seem too good to be true, such as doubling your investment in a month or receiving a guaranteed return?"

Mrs B responded:

"We've not been promised anything. We are interested in trying to make a bit of money as I said before as our money has made so little in our bank."

There are two striking features about Mrs B's responses. First, she told Revolut that neither she nor Mr B had downloaded AnyDesk. However, in Mr B's submissions to our Service, he states that he was 'instructed' to download AnyDesk. Secondly, Mrs B told Revolut that she and Mr B had not been promised anything in terms of unrealistic returns. However, this is contrary to what has been suggested in Mr B's submissions to our Service.

I acknowledge Revolut answered no when Mrs B asked whether it had any concerns about Handelex. However, at this stage there were not any, for example, published warnings online about Handelex. The first warning about Handelex was published by the Financial Conduct Authority in June 2023. Before this point, from what I can see, Handelex had a professional looking website online.

For the above reasons, I find that Revolut's intervention at this early stage of the scam was proportionate to the risk identified – and the type of intervention I would have expected to see in January 2023. However, Revolut's attempt to protect Mr B from financial harm on this occasion was frustrated by the misleading answers provided – thereby alleviating any concerns Revolut had.

Even if it could be argued that Revolut should have gone further in its intervention, I do not take the view that this would have made a difference. I develop this point later in this decision under the heading: *Additional factors*.

18 April 2023 intervention (Payment 9)

When Mr B attempted Payment 9, Revolut presented him, in-app, with the following:

- A warning: *"This transfer may be a scam. Your transfer is more unusual than 99.2% of all Revolut transfers."*
- A questionnaire (Mr B's answers are in bold):
 - *Please tell us the purpose of this payment – **Investment***
 - *Have you been asked to ignore scam warnings during making the payment?*

– **No**

- *Have you been promised returns which seem too good to be true, such as doubling your investment in a month? – **No***
- *Have you conducted any research, and do you understand what you're investing in? – **Yes***
- *Have you been contacted or encouraged to invest by someone you don't know or have only met online recently? – **No***

Revolut then directed Mr B to speak to one of its agents via the in-app chat for further investigation.

During the in-app chat, amongst other things, Mr B confirmed he was buying cryptocurrency through Coinbase himself. Revolut asked Mr B whether he had been asked to install any apps such as AnyDesk, or whether he had been assisted in setting up an investment account. Mr B answered, no.

Again, like with the intervention on 19 January 2023, Mr B neither told Revolut that he had installed AnyDesk, nor of any third-party involvement. Further, Mr B had confirmed the following during the in-app chat, *"Revolut has warned me about the scam risks and will be unlikely to recover any funds if this is a scam."* However, Mr B did not heed the warnings Revolut provided.

For the above reasons, I find that Revolut's intervention in Payment 9 was proportionate to the risk identified – and the type of intervention I would have expected to see in April 2023. However, Revolut's attempt to protect Mr B from financial harm on this occasion was frustrated by the misleading answers provided – thereby alleviating any concerns Revolut had.

I have also borne in mind the fact that Mrs B, on Mr B's behalf, confirmed to Revolut that there were no issues with cryptocurrency related transactions during the previous intervention (see above).

Even if it could be argued that Revolut should have gone further in its intervention, I do not take the view that this would have made a difference. I develop this point later in this decision under the heading: *Additional factors*.

27 April 2023 (Payment 11)

When Mr B attempted Payment 11, Revolut presented him, in-app, with the following:

- A warning: *"This transfer may be a scam. Your transfer is more unusual than 99.2% of all Revolut transfers."*
- A detailed warning about victims losing millions every year due to bank transfer scams.
- A warning about how professional fraudsters can be by pretending to be someone you can trust.
- As a result of Mr B selecting cryptocurrency as a payment purpose, he was presented with educative stories tailored to cryptocurrency scams – one of which asked about AnyDesk.

Revolut says it also sent Mr B an email on the same day which provided a tailored warning about cryptocurrency investment scams. The heading of email stated: *"If it sounds too good to be true... it probably is! Knowing how to spot scams, is the way to beat a scammer."*

Mr B did not heed any of the above warnings and proceeded to make Payment 11.

By the time of Payment 11, Mr B had made several high value cryptocurrency related payments from his Revolut account, as well as receiving credits from crypto platforms. Further, Mr B/Mrs B had confirmed to Revolut on two previous occasions that all was well with the crypto related payments being made. Given this, I would not have expected Revolut to have gone further in its intervention in Payment 11. Therefore, I find that Revolut's intervention in Payment 11 was proportionate to the risk identified – and the type of intervention I would have expected to see in April 2023. However, Revolut's attempt to protect Mr B from financial harm on this occasion was again frustrated by the misleading answers provided – thereby alleviating any concerns Revolut had.

Additional factors

I have concluded that the above interventions were proportionate. But, even if I thought Revolut could have gone further in its interventions by, for example, asking more probing questions – I am still persuaded that that this would have been frustrated by Mr B. I say this because of Mr B's views of the scam at the time:

- Based on CEL's submissions on Mr B's behalf, they suggest that Mr B was very much under the spell of the fraudsters at the time of the scam. For example, CEL submit, amongst other things, *"After several conversations with the scammer, your customer [Mr B] **had full trust in the scammer** [emphasis added]. Based on the company website, and the professional nature of the scammer himself, your customer confirmed he would like to invest as he was sufficiently satisfied that the company was genuine."*
- Mr B only appears to show some identifiable reservations regarding the scam at about the time of his final payment (Payment 15). Before this transaction, he believed everything was above board. Therefore, I find it unlikely that any intervention before this point would have been successful. Moreover, I would not have expected Payment 15 to have triggered Revolut's systems for reasons I explain in the below section.
- I have listened to two telephone calls between Mr B and Barclays Bank which took place on 19 January 2023. Both calls were about transfers from Mr B's Barclays Bank account to his Revolut account (to fund the scam). During those calls, Mr B said he was making the transfers in connection with a holiday to Australia where his daughter lives.
- It is not suggested in Mr B's submissions to our Service that he was 'coached' in terms of what to say during an intervention. Therefore, it is not entirely clear why Mr B, of his own volition, misled Barclays Bank and Revolut.

In my judgment, the above points, including the interventions I have already mentioned, are a combination of persuasive factors. When taken as a whole, they suggest that had Revolut gone further in any of its interventions, it is likely Mr B would have frustrated these – thereby alleviating any concerns Revolut had.

Should Revolut have exercised further interventions in relation to Mr B's other payments?

Apart from the interventions mentioned above, I have thought about whether Mr B's other payments should have prompted Revolut to intervene. Having done so, I think an argument could be made to suggest that some of these payments should have triggered interventions: written and/or human. Whilst this may be arguable – my view is that such interventions would have been few and far between. I say this because as Mr B continued to make payments to the payees concerned, without any issues, they would have become 'established' on his account – particularly the payee connected to Payment 15. Further, the value of Mr B's payments would have become in-line – and normal expenditure – in terms of the spending on his account.

In any event, I am not persuaded that had Revolut carried out any other interventions this would have made a difference. I still take the view that these interventions would have been frustrated by Mr B for the reasons I have explained earlier in this decision.

Recovery of funds

I have considered whether Revolut acted appropriately to try to recover Mr B's funds once the fraud was reported.

Card payments

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.

Transfers

As Mr B's payments were made to purchase cryptocurrency – which would have been forwarded on in this form – there would not have been any funds to recover. So, I am satisfied that it is unlikely Revolut could have done anything to recover Mr B's funds sent via transfer.

Vulnerabilities

CEL submit that Mr B was vulnerable at the time scam. They submit this was due to financial pressures and Mrs B's medical condition.

From what I have seen, I am not persuaded that Revolut knew or ought to have known about Mr B's personal issues at the time. Therefore, I do not find that Revolut should have dealt with Mr B's payments any differently in this regard.

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 18 May 2025.

Tony Massiah
Ombudsman