

THE COMPLAINT

Mr F complains that Revolut Ltd (“Revolut”) will not reimburse him money he says he lost when he fell victim to a scam.

Mr F is represented by Refundee in this matter. However, where appropriate, I will refer to Mr F 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.

Mr F says he has fallen victim to an investment scam. He says a scammer deceived him into making payments to what he thought was a legitimate investment.

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. Instead, I will provide a summary. The transactions concerned appear to be:

- Approximately £70,000 in total (before returns, credits, etc.).
- Made between 28 August 2023 and 14 March 2024.
- Payment transfers, card payments and exchanges to BTC.
- Made to Light Technology Limited, Coinsdrom.com, Clearcrest, Safecharge Limited and CB Payments Ltd (Coinbase).
- Ranging from approximately £2,000 to £15,000.

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

One of our investigators considered the complaint and did not uphold it. As Mr F 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 Service's jurisdiction.

Given the above, and the fact that Mr F's complaint involves an allegation that Revolut should have intervened in the exchanges concerned to protect him from financial harm, I am satisfied that our Service can consider this aspect of the complaint.

Regulatory framework

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

Should Revolut have recognised that Mr F was at risk of financial harm from fraud?

It is not in dispute that Mr F 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/banks – 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.

When considering Mr F's payments holistically, I take the view that it is arguable that Revolut ought to have intervened in some of them. I acknowledge that Mr F's account was newly opened, and so Revolut would not have had any historic spending activity to compare Mr F's payments to. However, I have borne in mind that many of Mr F's payments were: high in value, some crypto in nature and on occasion, more than one made on the same day. For these reasons, I would have expected some of Mr F's payments to have triggered Revolut's fraud detection systems – prompting it to intervene to try to protect Mr F from financial harm.

Did Revolut carry out any interventions?

Revolut carried out some interventions in Mr F's payments. The key ones relating to Mr F's first and final payments, whereby Revolut carried out a human intervention via the in-app chat. Having considered these interventions, I am not persuaded that they were proportionate to the aggravating features present (see above).

If Revolut had carried out proportionate interventions – where appropriate – would

they have prevented Mr F's losses?

I have considered, on the balance of probabilities, what would have likely happened had Revolut intervened proportionately in any of Mr F's payments. Having reflected on this, I am not persuaded that such interventions would have likely made a difference in the circumstances.

I have relied on the below to reach this conclusion:

- By way of telephone call on 12 September 2023, Mr F spoke to Halifax about a £10,000 fund transfer to his Revolut account. In that call, amongst other things, Mr F confirmed to the Halifax agent that he was not making the transfer for any particular reason. He also confirmed that no one had asked him to transfer the money.
- By way of telephone call on 13 September 2023, Mr F spoke to Halifax about a £10,000 fund transfer to Light Technology Limited. In that call, amongst other things, Mr F provided the Halifax agent with several misleading reasons regarding the purpose of his transfer.
 - What Mr F said in both calls contradict Refundee's submissions on his behalf to Revolut and our Service. In those submissions, it is stated, amongst other things, that Mr F was making the payments concerned in connection with the scam, and that he was doing this following the scammer's instructions. He was not forthcoming about this with Halifax.
- I have considered messages exchanged between Mr F and the scammer. On 13 September 2023, I can see from the messages that Mr F and the scammer spoke about misleading Halifax regarding the purpose of the payment (see above).
- I have no doubt that the 'profits' Mr F saw on his 'trading platform' played a part in placing him deeper under the spell the scammer had woven. This can be seen in some of the messages where Mr F expresses his happiness about his profits. These profits ultimately resulted in Mr F taking out a loan to further fund the scam.
- Refundee's submissions support the proposition that Mr F was very much taken in by the scam at the time. For example, the submissions set out reasons why Mr F "... *felt that this situation [the scam] was real and believable.*"

From what I have seen from the messages, I acknowledge that sometime after Mr G's penultimate payment, he started showing some concerns about the scam. This was in relation to attempts to withdraw his funds. I have thought carefully about whether a more proportionate intervention from Revolut regarding Mr F's final payment would have likely made a difference. Having done so, I am not persuaded it would have. This has been a difficult conclusion to reach. However, I have ultimately come to it because – in addition to the above points – I can see that Mr F was messaging the scammer at the same time as he was attempting to make his final payment. In fact, it was the scammer that advised Mr F in those messages to use Coinbase and guided him on how to complete the final payment towards the scam.

I should also point out that any human intervention from Revolut would have taken place via the in-app chat, rather than over the telephone. This, to my mind, would have made it easier for Mr F to provide misleading information about his payments.

Taking all the above points together, they help paint a picture, and provide an indication of, how Mr F would have likely responded to better/further interventions from Revolut. That is, I

find that Mr F would have likely frustrated such interventions – thereby alleviating any concerns Revolut might have had about Mr F's payments. It follows that Revolut would not have been able to prevent Mr F's losses.

I am also satisfied that this is not a case where Revolut, contrary to Mr F's instructions, should have refused to put his payments through. Even if it could be argued otherwise, I find it likely that Mr F would have used his other bank accounts to make payments towards the scam, which he had already done.

I note that in Refundee's response to the investigator's findings, they contend, amongst other things, that Halifax's interventions were not proportionate. I should make it clear that I am not making a determination on that point. Rather, I am relying on what Mr F said during the Halifax interventions as an indication of how Mr F would have likely responded to better/further interventions from Revolut.

Recovery of funds

I have considered whether Revolut acted appropriately to try to recover Mr F's funds once the fraud was reported. I can see Revolut attempted some recovery action to no avail.

Payment transfers

According to Refundee's submissions, Mr F's payment transfers were made from his Revolut account to accounts in his name. Thereafter, those funds were either moved directly to the fraudsters, or, if not – Mr F should be able to withdraw them from his accounts. Further or alternatively, as Mr F's payments were made to purchase/exchange cryptocurrency – which would have been forwarded on in this form – there would not have been any funds to recover.

Further or alternatively, the likelihood that even if prompt action had been taken by Revolut on or immediately after the fraud was reported, any of Mr F's money would have been successfully reclaimed seems slim. I say this because of the time that had elapsed between Mr F's last payment (March 2024) and when Mr F reported the scam (May 2024). In these types of scams, fraudsters tend to withdraw/transfer out their ill-gotten gains immediately to prevent recovery.

So, I am satisfied that it is unlikely Revolut could have done anything to recover Mr F's payment transfers.

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 have raised one on behalf of Mr F.

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 F to accept or reject my decision before 19 September 2025.

Tony Massiah
Ombudsman