

The complaint

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

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

Mr V is represented by CEL Solicitors in this matter. However, where appropriate, I will refer to Mr V 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 V says he has fallen victim to a cryptocurrency linked job scam. In short, Mr V says that fraudsters tricked him into making payments to receive income from completing various ‘job tasks’. The payment transactions in question are:

Payment Number	Date	Beneficiary/Merchant	Method	Amount
1	16 April 2023	Binance	Card	£92.02
2	16 April 2023	Binance	Card	£277.66
3	18 April 2023	Binance	Card	£125.35
4	18 April 2023	Binance	Card	£1,234.03
5	19 April 2023	Noble Trading Pty Ltd	Transfer	£3,600

Mr V disputed the above with Revolut. When Revolut refused to reimburse Mr V, 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 V 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”).

Was Mr V scammed/suffered a loss?

I have been provided little by way of evidence to support that Mr V was scammed and suffered a loss as a result. However, I have decided to proceed on the basis that, on balance, he was scammed and suffered a loss. I say this because Mr V’s testimony does include some of the typical hallmarks of a job scam; and Revolut appear to accept that Mr V fell victim to one. Further or alternatively, taking a pragmatic approach, my view is that it would not be the best use of time if I asked CEL Solicitors to contact Mr V to provide further information – only for me to reach the same outcome.

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

It is not in dispute that Mr V 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.

Payments 1 to 4

I am not persuaded that Payments 1 to 4 were that unusual or out of character. I acknowledge that they were cryptocurrency related in nature. However, I have weighed this against the fact that they were relatively low in value, and that the transactions were not significantly out of line with normal spending on the account concerned.

For these reasons, I would not have expected Payments 1 to 4 to have triggered Revolut’s fraud detection systems.

Payment 5

Revolut says that it did intervene in Payment 5. I address this in more detail below.

Was Revolut’s intervention in Payment 5 proportionate?

Revolut submits that Payment 5 triggered its systems prompting it to decline the transaction and provide Mr V with a warning and questionnaire. Revolut submits the payment purpose questionnaire would have followed with a further tailored warning message based on the stated purpose of the transaction: *“The customer received a set of dynamic educational story messages to warn him about the risks associated with this payment.”*

Revolut further submits that Mr V’s answer to the payment purpose questionnaire is no longer available due to technical reasons.

In response to the investigator’s findings, Mr V argues, amongst other things, *“Revolut have not evidenced that a warning was given so assumptions are being made about the effectiveness of that warning.”*

Revolut has provided some evidence which shows that Payment 5 was flagged by its systems. It has also provided a screenshot of what Revolut says is part of a WhatsApp exchange between Mr V and the fraudster. In that exchange, Mr V appears to make reference to an intervention from Revolut. The investigator relied on this in their assessment; the veracity of which does not seem to be challenged. Moreover, Mr V has not provided any evidence to support the proposition that Revolut did not intervene. For these reasons, I find, on the balance of probabilities, that Revolut intervened in Payment 5 like the way it has described.

I acknowledge that Payment 5 was made to a new payee and that it was high in value relative to Mr V’s account. In addition to those factors, I have also considered the following. The transaction was a transfer which matched the purpose the account was opened for. Moreover, although Payment 5 was high in value relative to Mr V’s account – I do not find that it was so significantly high to warrant, for example, a human intervention. Further, it is not unusual for the occasional high value spending to occur on an account – particularly in the sum of Payment 5.

Having weighed the above factors, I find that the intervention Revolut has described was proportionate to the risk identified regarding Payment 5. This is something which Mr V did not need.

Safe account submission

In response to the investigator’s findings, Mr V appears to suggest that he selected ‘safe account’ as a payment purpose for Payment 5. I have not seen any evidence to support this argument. However, even if I was persuaded that Mr V selected safe account, this would not change my view of his complaint. I say this because if Mr V chose such a payment purpose, it would have been inaccurate, as safe account was not the purpose of Payment 5. Consequently, Mr V would have frustrated Revolut’s attempt to provide an appropriate warning for Payment 5.

Recovery of funds

Chargeback (Payments 1 to 4)

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 V.

Transfers (Payment 5)

Mr V made his last payment towards the scam in April 2023, which was a fund transfer. From what I can see, he reported the scam to Revolut in September 2023. However, Mr V submits that he first reported the scam in April 2023. I do not accept this, as the evidence I have seen from Revolut suggests that Mr V reported the matter in September 2023.

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

Further or alternatively, it appears as if Payment 5 was made to purchase cryptocurrency – which would have been forwarded on in this form – there would not have been any funds to recover.

For these reasons, I am satisfied that it is unlikely Revolut could have done anything to recover Mr V's funds.

Vulnerabilities

Mr V submits that he was vulnerable due to – 'low income/debt'.

From what I have seen, I am not persuaded that Revolut knew or ought to have known about Mr V's personal issues at the time. Therefore, I do not find that Revolut should have dealt with Mr V'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 V has suffered is a result of the fraudster's 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.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr V to accept or reject my decision before 29 April 2025.

Tony Massiah
Ombudsman