

The complaint

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

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

Mr S is represented by CEL Solicitors in this matter. However, where appropriate, I will refer to Mr S solely in this decision for ease of reading.

What happened

On 18 March 2025, I issued a provisional decision not upholding this complaint. I attach a copy of that provisional decision below – both for background information and to (if applicable) supplement my reasons in this final decision. I would invite the parties involved to re-read the provisional decision.

Responses to my provisional decision

Revolut did not respond to my provisional decision. CEL Solicitors (“CEL”), on behalf of Mr S, did respond.

In essence, through CEL’s response, they argue that my view stating a warning from Revolut would have unlikely been successful due to Mr S’s relationship with Sofea is speculative. Further, CEL argue that I should have considered Payments 3, 4 and 5 individually, as the cumulative effect of multiple warnings for those transactions could have made a difference.

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 considered CEL’s submissions, I do not accept them.

My view that a warning from Revolut would not have made a difference in the circumstances is not speculation. The exercise I engaged when it came to dealing with causation was to consider the evidence available to me and weigh it against the relevant standard of proof. That standard being the balance of probabilities – not mere speculation. To my mind, Mr S’s relationship with Sofea is a striking feature in this case. It gives a strong indication as to how Mr S would have likely responded to a Revolut warning for the reasons I have already given in my provisional decision. Further, CEL submit in their response that a warning “... **might** have broken the spell Sofea had over our client [emphasis added].” It appears that CEL themselves are not fully persuaded that such a warning would have *likely* been successful.

Turning to CEL’s point about the potential cumulative effect had Revolut provided Mr S with multiple warnings for Payments 3, 4 and 5. I acknowledge the point CEL is making. As I stated in my provisional findings, I would have expected such warnings to have been tailored

written warnings. However, I am not persuaded that the repetition of such warnings would have broken Sofea's hold over Mr S at the time. Further, Mr S did not start having any issues with withdrawals – and therefore potential reservations – until Payment 7.

Therefore, I will not be departing from my provisional findings. I find this to be a fair and reasonable outcome in the circumstances of this complaint.

My final decision

For the reasons set out above, I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 25 April 2025.

Tony Massiah
Ombudsman

COPY OF PROVISIONAL DECISION DATED 18 MARCH 2025

I have considered the relevant information about this complaint.

The deadline for both parties to provide any further comments or evidence for me to consider is **25 March 2025**. Unless the information changes my mind, my final decision is likely to be the same as below.

If I do not hear from Mr S, or if he tells me he accepts my provisional decision, I may arrange for the complaint to be closed as resolved without a final decision.

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Mr S is represented by CEL Solicitors in this matter. However, where appropriate, I will refer to Mr S 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 S appears to have fallen victim to a linked: cryptocurrency related investment scam, romance scam and a recovery scam (Payment 8 below). The card payments in question are:

Payment Number	Date	Beneficiary	Amount
1	11 January 2023	Binance	£823
	13 January 2023	Binance	202.29 (credit)
2	23 January 2023	Binance	£3,324
3	27 January 2023	Binance	£5,000
4	27 January 2023	Binance	£5,000
5	28 January 2023	Binance	£4,000
6	18 February 2023	Blockchain.com	£100
7	23 February 2023	Binance	£1,850.00

8	10 March 2023	Binance	\$1950 USD
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Mr S disputed the above with Revolut. When Revolut refused to reimburse Mr S, he raised a complaint, which he also referred to our service.

One of our investigators considered the complaint and upheld it in part. The investigator thought Revolut should, as I understand it, refund Mr S all payments from Payment 2 onwards, minus 50% for contributory negligence; and a further 50% contributory negligence for Payment 8. Mr S agreed with this, but Revolut did not. Because of Revolut's position, this matter has been passed to me to make a decision.

What I have provisionally 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 wrong 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.

Regulatory framework

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

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

It is not in dispute that Mr S 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.

Payment 2

I am persuaded that Payment 2 (set out above) was unusual and out of character. I say this primarily because of the value of Payment 2 and the fact that it was identifiably going to a cryptocurrency platform.

Given the above aggravating factors, I think there was an identifiable risk. Therefore, Payment 2 should have triggered Revolut's fraud detection systems; prompting it to intervene before releasing the transaction to try to protect Mr S from financial harm. My view is that a proportionate intervention to the risk identified would have been for Revolut to

provide Mr S with a tailored written warning about cryptocurrency investment scams in Revolut's in-app chat.

Revolut failed to do this.

If Revolut had provided a written warning of the type described, would that have prevented the losses Mr S suffered from Payment 2?

As I have taken the view that Payment 2 should have triggered an intervention – like the one described above – by Revolut, I must now turn to causation. Put simply, I need to consider whether Revolut's failure to intervene caused Mr S's losses from Payment 2. To do this, I need to reflect on whether such an intervention would have likely made any difference. Having done so, unlike the investigator, I am not persuaded that it would have. I take the view that, on the balance of probabilities, Mr S would have frustrated Revolut's attempt to intervene to protect him from financial harm – thereby alleviating any concerns Revolut had.

The investigator held that they had not seen anything to suggest that Mr S would not have heeded a written warning from Revolut. That is, the investigator thought that had a written warning been provided, this would have stopped Mr S making Payment 2 and therefore his subsequent payments. However, I take a different view – particularly when thinking about Mr S's relationship with the fraudster, 'Sofea'.

Mr S first came across Sofea when she added him on a well-known social media platform. Mr S's representatives, on his behalf, submit, amongst other things: *"Your customer [Mr S] by the point in the scam had not only built up a romantic relationship but also one of trust with the scammer [Sofea]."* Further, *"The scammer then asked your customer about his life and what the investment was for, your customer and the scammer connected as your customer's wife is from [X country] and the scammer claimed so was [s]he. It was on this fact your customer and the scammer built up a level of trust and friendship."*

Mr S says he asked Sofea for advice. Consequently, she introduced him to the investment scam concerned with Cointology.biz ("Cointology"). Below are some points I have taken from the submissions of Mr S's representatives which demonstrate the trust he had in Sofea and in turn the scam:

- Mr S *"completely trusted"* the fact that Sofea *"had his best interests at heart."*
- Cointology's onboarding process made Mr S think the company was legitimate.
- Cointology's website looked professional.
- Sofea discussed with Mr S what he needed to do and how much money he could make.
- Mr S had received credit from the scam before Payment 2.

I have weighed the above against what I think Mr S would have likely done had Revolut provided him with a written warning. Having done so, I am persuaded, on balance, that Mr S would not have heeded such a warning.

It is clear from the above submissions that Mr S was very much under Sofea's spell during the time of the scam. I have not seen anything to suggest that had Revolut provided a written warning, Mr S would not have, for example, either: a) ignored it given his absolute trust for and romantic relationship with Sofea; or b) spoken to Sofea about the written warning to ensure everything was above board. Had the latter happened, I have no doubt

that Sofea would have assuaged any of Mr S's concerns.

Mr S says most of his communications with Sofea took place over the telephone. Therefore, I have not seen any material to suggest that Mr S had any reservations around the time of Payment 2. I note Mr S says he was asked to pay fees to release his funds, but this did not happen until Payment 7. I deal with this transaction in the below section.

In my judgment, the above points taken as a whole, suggest that had Revolut intervened in Payment 2 to try to protect Mr S from financial harm (in the way described above): it is likely he would have frustrated this intervention – thereby alleviating any concerns Revolut had.

Other payment transactions

Payments 1, 6, 7 and 8

I would not have expected these payments to trigger Revolut's systems given the lack of any significant aggravating factors surrounding them – particularly given their low value.

Payments 3 and 5

I think an argument could be made to suggest that these payments should have triggered interventions prompting Revolut to provide Mr S with a written warning – like the type I have already described. I say this because these payments have similar aggravating and mitigating features like Payment 2. However, I am not persuaded that such written warnings would have likely been successful for the same reasons I have set out above regarding Payment 2.

Payment 4

Payment 4 is slightly different to the payments mentioned above. This is because it was made on the same day as Payment 3 in quick succession; and when taking these two payments together – they amounted to £10,000. Further, by the time of Payment 4, Mr S's payments had increased in value and was, like the other payments, identifiably a cryptocurrency related transaction. In addition to these aggravating factors, I have also thought about the following mitigating factors:

- Mr S's Revolut account was a newly opened account, so there was little activity to measure against.
- The purpose of Payment 4 matched some of the purposes for which Mr S's Revolut account was opened for: 'Crypto', 'Invest in Gold & Silver', 'Stocks' and 'Transfers'. Given this, Payment 4 aligned with how I would expect an account opened for crypto transfers to be used.
- Payment 4 was not over £10,000 even when taken together with Payment 3.
- Payment 4 went to a well-known and legitimate cryptocurrency exchange, Binance.
- Several days had passed since Mr S made Payments 1 and 2 to Binance which went unchallenged.

I have weighed the aggravating factors surrounding Payment 4 against the mitigating factors. This has been a finely balanced exercise. In doing so, I find that a proportionate intervention regarding Payment 4 would have been a tailored written warning about cryptocurrency investment scams in Revolut's in-app chat. However, I am not persuaded

that such a warning would have likely been successful for the same reasons I have set out above regarding Payment 2.

Recovery of Mr S's funds by Revolut

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 S.

Vulnerabilities

Mr S submits that as English is not his first language – this amounts to a vulnerability Revolut should take into consideration.

I am not persuaded that Revolut – whether it was aware of the above or not – should have dealt with Mr S's payments any differently just because English is not his first language.

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 S 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.

My provisional decision

For the reasons set out above, I am currently minded to not uphold this complaint.

Tony Massiah
Ombudsman