

## THE COMPLAINT

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

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

Mr U is represented by CEL Solicitors (“CEL”) in this matter. However, where appropriate, I will refer to Mr U 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 U says he has fallen victim to a cryptocurrency related investment scam. Mr U says fraudsters deceived him into making payments to what he thought was a genuine investment. Mr U’s Revolut card payments in question are:

<b>Payment Number</b>	<b>Date</b>	<b>Time</b>	<b>Beneficiary / Merchant</b>	<b>Amount</b>
1	07 July 2023	12:43	Aventigo	£200
2	14 July 2023	11:54	KuCoin	£763.73
3	14 July 2023	12:01	KuCoin	£1,233.02
4	14 July 2023	12:04	KuCoin	£290.19
5	14 July 2023	12:11	KuCoin	£76.36
6	18 July 2023	17:37	KuCoin	£198.06
7	18 July 2023	17:49	KuCoin	£1,782.47
8	19 July 2023	16:07	KuCoin	£853.84
9	9 August 2023	18:18	Moonpay	£350
10	21 August 2023	14:48	Moonpay	£1,257.76

Mr U disputed the above with Revolut. Because Revolut refused to reimburse Mr U, he raised a complaint, 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 none of Mr U's payments should have triggered Revolut's fraud detection systems. Mr U rejected the investigator's findings stating, in short, that one or more of his transactions on 14 July 2023 – particularly Payment 3 – should have triggered. Had this happened, Mr U says, the scam would have been uncovered.

As Mr U 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 U was at risk of financial harm from fraud?**

It is not in dispute that Mr U 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 1**

I am not persuaded that Payment 1 was so unusual or out of character that it should have triggered Revolut's systems. I say this primarily because the transaction was relatively low in value.

## **Payments 2 to 5**

CEL submit, on Mr U's behalf, that at least one or more of his payments made on 14 July 2023 should have prompted an intervention from Revolut. CEL contend this should have happened because Mr U made payments totalling £2,363.30 in '16 minutes' to a known cryptocurrency payee. Further, CEL submit Payment 3 was high in value relative to Mr U's account.

I do take CEL's points. I also acknowledge that KuCoin was a new payee and that crypto was not selected as Mr U's account opening purpose.

It has not been straightforward for me to decide if one of the payments on 14 July 2023 should have triggered Revolut's systems. To assist with this exercise, I have carefully weighed the above aggravating factors against the below mitigating factors:

- Payments 2 to 5 were cryptocurrency in nature. However, they were made to a well-known and legitimate cryptocurrency platform.
- Whilst four payments were made on one day, they were not made in quick succession. Importantly, there was a seven-minute gap between Payments 2 and 3.
- After Payment 3, the two subsequent payments decreased in value.
- In isolation, each payment was relatively low in value. Although it could be argued that Payment 3 was high in value relative to Mr U's account – it is not unusual for transactions of such value to be made on an account such as Mr U's.
- Even when taking all four payments collectively – they are under £3,000.

Having taken all the above aggravating and mitigating factors together, I am not persuaded that Payments 2 to 5 were so unusual that they should have triggered Revolut's systems prompting it to intervene.

## **Payments 6 to 10**

I do not find that there were any significant aggravating factors surrounding Mr U's remaining payments to warrant an intervention from Revolut. I would have expected that cryptocurrency related transactions would have become normal activity on Mr U's account as he continued to make unchallenged payments to crypto platforms.

## **Reporting the scam**

It should be noted that even after Mr U reported the scam on 26 July 2023, he made two further payments in connection with the scam. This is not something I can reasonably say that Revolut was at fault for.

## **Recovery of funds**

### **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 raise one on behalf of Mr U's.

### **Vulnerabilities**

CEL submit that Mr U was vulnerable at the time of the scam:

*“Your customer [Mr U] was going through an extremely significant life event that was the close approaching birth of their new-born child. Their life event left them extremely vulnerable and susceptible to harm because they were under pressure to better provide for their family and as a result was in a busy and distracted state of mind. This is in conjunction with their caring responsibilities in relation to his other child. Your Customers children are now aged 2 years and 3 months old respectively. Your Customer was more susceptible to the callous approach and methods of a scammer due to his circumstances at the time.”*

First, I cannot see that Revolut knew or ought to have known about Mr U's personal issues at the time. Secondly, even if Revolut was aware, I am not persuaded that it should have dealt with Mr U's payments any differently because of the nature of the personal issues described. Therefore, I do not find that Revolut should have dealt with Mr U's payments any differently.

### **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 U 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 U to accept or reject my decision before 21 May 2025.

Tony Massiah  
**Ombudsman**