

## **The complaint**

Mr C has complained that Revolut Ltd won't refund money he lost to a scam.

## **What happened**

The details of the complaint are well known to both parties, so I will not repeat them again here. Instead, I will focus on giving the reasons for my decision.

## **What I've 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 agree with the investigator's findings for broadly the same reasons, I will explain why.

In broad terms, the starting position at law is that an Electronic Money Institution ("EMI") such as Revolut is expected to process payments and withdrawals that a customer authorises it to make, in accordance with the Payment Services Regulations (in this case the 2017 regulations) and the terms and conditions of the customer's account.

But, taking into account relevant law, regulators' rules and guidance, relevant codes of practice and what I consider to have been good industry practice at the time, I consider it fair and reasonable that Revolut should:

- have been monitoring accounts and any payments made or received to counter various risks, including preventing fraud and scams;
- have had systems in place to look out for unusual transactions or other signs that might indicate that its customers were at risk of fraud. This is particularly so given the increase in sophisticated fraud and scams in recent years, which firms are generally more familiar with than the average customer; · have acted to avoid causing foreseeable harm to customers, for example by maintaining adequate systems to detect and prevent scams and by ensuring all aspects of its products, including the contractual terms, enabled it to do so;
- in some circumstances, irrespective of the payment channel used, have taken additional steps, or made additional checks, or provided additional warnings, before processing a payment;
- have been mindful of – among other things – common scam scenarios, how fraudulent practices are evolving (including for example the common use of multi-stage fraud by scammers, including the use of payments to cryptocurrency accounts as a step to defraud consumers) and the different risks these can present to consumers, when deciding whether to intervene.

So, taking all of this into account, I need to decide if Revolut acted fairly and reasonably in their dealings with Mr C when he made the payments. Specifically, whether it should've done more than they did before processing them. I also need to decide if Revolut could've reasonably recovered the lost funds.

Mr C opened his account with Revolut on 19 November 2023 and the first payment from his Revolut account to the scam was made 24 January 2024. So, the account was only open for a short period of time prior to the scam commencing. Having looked at Mr C's account statements I can see he had made larger payments out of the account in the month prior to the scam commencing.

The payments being disputed here were, individually, of a relatively low value – with £1,500 being the highest. Although Mr C hadn't had the account for long, as explained above, he'd made payments of a similar or greater value in the prior months. Because of this, I don't think the individual value of the payments would've been seen by Revolut as being unusual or out of character for Mr C.

Mr C's representative has said the nature and pattern of Mr C's account activity along with the prevalence of cryptocurrency scams, suggested there was a heightened risk of fraud which warranted Revolut intervening. However, I don't agree, as explained above the individual value of the transactions were relatively low, and the total loss over roughly 23 days was £4,527.66. While I accept that the amount of money Mr C sent is clearly significant to him, this doesn't in itself suggest a heightened risk of fraud.

I also note, that prior to the scam commencing Mr C has sent money to a firm well known for global transfers and cryptocurrency. So, while I do accept that cryptocurrency investment scams were on the rise and Mr C's representative has said that due to this Revolut ought to have identified the payment as suspicious, cryptocurrency providers are also used by many individuals to invest in crypto legitimately. Because of this, I wouldn't necessarily have expected Revolut to have carried out additional checks before processing the payments simply because they were going to a crypto merchant. But rather, I would expect them to take steps to protect customers that are proportionate to the identifiable risk. I have to bear in mind that if firms such as Revolut were to be expected to intervene with every payment of a similar size to the ones being disputed here -and to crypto wallets in a consumer's own name - it could risk grinding the banking system to a halt.

It follows that, while there are circumstances where it might be appropriate for Revolut to take additional steps or make additional checks before processing a payment, for the above reasons, I think at that time it was reasonable for Revolut to assume the payments were being made for legitimate purposes. And so, I think it was reasonable for Revolut to process the payments upon receiving Mr C's instructions.

### *Recovery*

I've also thought about whether Revolut could have done more to recover the funds once it became aware of the situation, as in some circumstances the money can be recovered. I am aware that Mr C reported the scam to Revolut on 28 March 2024 and it attempted recovery on 29 March 2024. The beneficiary firm responded on 2 April 2024 and stated no funds remained. However, due to some of the scam transactions being international transfers, I am satisfied it was always unlikely the funds would be recovered.

As, some of the payments were made via debit card, the chargeback process is relevant here. The chargeback scheme is a voluntary agreement between card providers and card issuers who set the scheme rules and is not enforced by law. A chargeback isn't guaranteed to result in a refund; there needs to be a right to a chargeback under the scheme rules and

under those rules the merchant or merchant acquirer can defend a chargeback if it doesn't agree with the request.

Unfortunately, the chargeback rules don't cover scams. So, Revolut would only be able to process chargeback claims against the merchant he paid. The merchant in this case was a genuine cryptocurrency exchange. The service provided by the cryptocurrency exchange would have been to convert or facilitate conversion of Mr C's payments into cryptocurrency. Therefore, they provided the service that was requested. So, the chargeback claim wouldn't have been successful.

### **My final decision**

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 23 October 2025.

Jade Rowe  
**Ombudsman**