

## **THE COMPLAINT**

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

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

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

## **WHAT HAPPENED**

On 1 May 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 responded stating that it was not able to contact Mr P, it did not have any additional comments to add and that I should issue my final 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.

Given CEL’s position as Mr P’s representatives, and the fact Revolut did not respond to my provisional findings – I find no reason to depart from them.

## **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 P to accept or reject my decision before 16 June 2025.

Tony Massiah  
**Ombudsman**

## **COPY OF PROVISIONAL DECISION DATED 1 MAY 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 15 May 2025. Unless the information changes my mind, my final decision is likely to be along the following lines.

If I do not hear from Mr P, 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.

## THE COMPLAINT

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Mr P is represented by CEL Solicitors (“CEL”) in this matter. However, where appropriate, I will refer to Mr P 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 P says he has fallen victim to a cryptocurrency related investment scam. He says fraudsters deceived him into making payments to what he thought was a legitimate investment with ‘Bit Lords’. The Revolut card payments in question are set out in the table below.

(Before the Revolut payments, Mr P made two payments towards the scam from his HSBC account. These were made on 24 May 2023 and 1 June 2023 respectively – each for about £4,300.)

Payment Number	Date	Beneficiary / Merchant	Amount
1	22 June 2023	Binance	£5,000
2	22 June 2023	Binance	£500
3	30 June 2023	Binance	£2,400
4	14 July 2023	Binance	£5,000
5	14 July 2023	Binance	£200
6	3 August 2023	Binance	£4,110
7	9 August 2023	Binance	£5,000
8	28 September 2023	Binance	£2,100
9	17 October 2023	Virtualpay*andreams	£2,404.23

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

One of our investigators considered the complaint and upheld it in part. In summary, the investigator held that Revolut should have intervened in Payment 1, and had it done so, Mr P's losses would have been prevented. The investigator asked Revolut to refund Mr P all the payments he made – deducting 50% for contributory negligence. Mr P accepted this, but Revolut did not.

As Revolut did not accept the investigator's findings, 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 erred in reaching 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 P was at risk of financial harm from fraud?**

It is not in dispute that Mr P 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 persuaded that Payment 1 was unusual and out of character. I say this because of the value of the transaction and the fact that it was identifiably going to a cryptocurrency platform. For these reasons, I would have expected Payment 1 to have triggered Revolut's fraud detection systems.

### **What kind of intervention should Revolut have carried out?**

Given the above aggravating factors, to my mind, there was an identifiable risk. I am mindful of the fact that Payment 1 occurred in June 2023. I have taken this together with the aggravating factors present. In doing so, my view is that a proportionate intervention to the risk identified would have been for Revolut to have provided Mr P with an automated tailored written warning relevant to cryptocurrency scams – tackling some of the key features of the scam.

Revolut failed to do this.

**If Revolut had provided a warning of the type described, would that have prevented the losses Mr P suffered from Payment 1?**

I have explained why it would have been reasonable for Payment 1 to have triggered an intervention from Revolut. So, I must now turn to causation. Put simply, I need to consider whether Revolut's failure to intervene caused Mr P's losses. To do this, I need to reflect on whether such an intervention (described above) would have likely made any difference. Having done so, I am not persuaded that it would have. I take the view that, on the balance of probabilities, Mr P would have frustrated Revolut's attempt to intervene to protect him from financial harm – thereby alleviating any concerns Revolut had.

To reach this view, I have considered messages which were exchanged between Mr P and the fraudster ("the Messages"). I have relied on these to assist me in determining what Mr P would have likely done had Revolut intervened. Below are extracts from the Messages, which took place before Payment 1:

- Mr P spoke to the fraudster about a house he was planning on buying, his employment, and his general day-to-day activities. I can see from the Messages that many conversations took place over the phone. I find it likely that the nature of those calls mirrored the Messages. CEL submit, amongst other things, *"As the scammer was talking with such confidence your customer [Mr P] had no reason not to believe what the scammer was advising him ... Your customer notes that he got to know the scammer on a more personal level as when speaking with each other they would not always discuss the investment which humanised the scammer and built that trust and rapport with your customer."*
- The Messages suggest Mr P believed he was making a profit on the Bit Lord trading platform:
  - **Fraudster:** *"No we building ... Look today you made 32 euro profit," and "14.4 k euro profit NIO !"*
  - **Mr P:** *"I had a look at the account it is look amazing <smiling emoji>"*
- In the Messages, Mr P informed the fraudster that he was working with someone interested in getting involved with Bit Lord.
- Mr P also suggests in the Messages that his wife expressed some disquiet about a payment he made towards the scam from HSBC: *"I did! She is not happy! Coz the the €5000 I put in the last time was her money. She wants me to withdraw her money first and we will think about it. **I know I will get her on side** [emphasis added]."*

To my mind, the Messages demonstrate that Mr P had developed a trusting relationship with the fraudster. I also take the view that Mr P would have been taken in further by the fraudster due to: one, the profit he could see increasing on his trading platform; and two, a credit he received from the scam into his HSBC account around 15 June 2023. Further, it

does not appear that Mr P listened to the concerns expressed by his wife.

All the above extracts took place before Payment 1. From what I have seen, Mr P did not start to show any concerns about the scam until about 4 July 2023 onwards (after Payment 3). This is due to the difficulties Mr P encountered when he tried to withdraw his funds from the platform. Despite these difficulties however, Mr P went on to make further payments.

On 17 August 2023, so after Payment 7, Mr P contacted Revolut via an in-app chat stating that he might have been scammed. A Revolut agent informed Mr P, amongst other things, that he would need to raise a chargeback. The agent also terminated Mr P's card and provided him with some information about fraud prevention. However, Mr P did not raise a chargeback at the time. Further, despite the fact that Mr P strongly suspected he had been scammed, he went on to make Payments 8 and 9.

On 21 August 2023, again after Payment 7, Mr P said to the fraudster via messaging: *"Bro you scammed me. All along I put my trust in you and know one answered my calls or messages."* Despite this, Mr P went on to make Payments 8 and 9.

I acknowledge the fraudsters continued to create narratives around why Mr P had to pay more money to release his funds. However, I cannot ignore the fact that Mr P continued to make payments despite having concerns about withdrawals from 4 July 2023 onwards, and strong concerns about having been scammed.

In my judgment, the above are a combination of persuasive factors. When taken as a whole, they suggest that had Revolut intervened in Payment 1 to try to protect Mr P from financial harm (in the way described above): it is likely Mr P would have frustrated this intervention – by, for example, not heeding any written warning or speaking to the fraudster about it first.

### **Should Revolut have exercised interventions in relation to Mr P's other payments?**

Payments 1 and 2 would have set a precedent on Mr P's account in terms of spending and activity. Each unchallenged transaction made to the same payee would have assuaged any concerns. Further, after Payments 1 and 2, the remaining transactions were relatively spaced out, and although cryptocurrency in nature (save for Payment 9) – they were made to a well-known and genuine crypto platform. Moreover, Payments 1 to 8 were consistent with one of Mr P's account opening purposes: Crypto. As for Payment 9, I would not have expected it to trigger Revolut's systems given its relatively low value, and the prior spending activity on Mr P's account.

For these reasons, I do not find that that the transactions that followed Payment 1 should have prompted interventions from Revolut. But, even if it could be argued that one or more of the transactions post Payment 1 should have triggered a tailored written warning about cryptocurrency, I am not persuaded it would have likely been successful – much for the same reasons I have already explained above.

### **Recovery of funds**

I have considered whether Revolut acted appropriately to try to recover Mr P's funds once the fraud was reported.

### **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 P.

### **Vulnerabilities**

CEL submit that following a change in employment, Mr P found it difficult to come to terms with the change in his lifestyle. Therefore, he wanted to invest his money to “*ensure that he had that leeway there to still be an excellent provider for his family.*”

I have not seen anything to suggest that Revolut knew or ought to have known about Mr P’s personal issues at the time. Further or alternatively, I am not persuaded Mr P’s circumstances would amount to him being considered as vulnerable. Therefore, I do not find that Revolut should have dealt with Mr P’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 P has suffered is a result of Revolut’s actions – not Mr P’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 PROVISIONAL DECISION**

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

Tony Massiah  
**Ombudsman**