

The complaint

Mr J complains Revolut Ltd (“Revolut”) hasn’t refunded funds he said he lost as the result of a scam and hindered the recovery of his funds when it raised chargebacks classed as disputes when Mr J believes it ought to have done so on the basis the payments were related to fraud.

What happened

Both parties are familiar with the circumstances of the complaint, so I’ll only summarise the key details here.

Mr J made several payments towards what he thought was a legitimate merchant for the purposes of online gambling. He said he believes it was a scam as he was unable to withdraw his winnings, so he contacted Revolut. Mr J told us his account has a gambling block and so none of the payments should have been processed by Revolut. Mr J said when Revolut raised chargebacks it classed them as disputes but should have classed them as fraud and that this impacted the recovery of his funds.

Revolut didn’t reimburse Mr J. Unhappy with Revolut’s response; he raised the matter with the Financial Ombudsman Service. One of our Investigators looked into the complaint and didn’t uphold it.

As an agreement could not be reached, the complaint has been passed to me for a final 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.

I’m sorry that Mr J has lost a significant sum of money and I don’t underestimate the impact this has had on him. And so, I’d like to reassure him that I’ve read and considered everything he’s said in support of his complaint. But I’ll focus my comments on what I think is relevant. If I don’t mention any specific point, it’s not because I’ve failed to take it on board and think about it, but because I don’t think I need to comment on it to reach what I think is a fair and reasonable outcome. I’m sorry to disappoint Mr J further but I’m unable to uphold his complaint, I’ll explain why.

I don’t have sufficient evidence to say whether the gambling merchant was operating a scam or not. Mr J has provided an email he received from the merchant, but I haven’t seen evidence of the winnings Mr J said he accrued or that he was unable to withdraw them. I haven’t made a finding on whether Mr J has been the victim of a scam or not as it doesn’t make a difference to the outcome.

In broad terms, the starting position at law is that banks and other payment service providers are expected to process payments and withdrawals that a customer authorises it to make, in

accordance with the Payment Services Regulations and the terms and conditions of the customer's account.

Mr J authorised the payments in question here – so even though he said he was unable to withdraw his funds and believes he has been scammed; he is presumed liable in the first instance.

But as a matter of good industry practice, Revolut should also have taken proactive steps to identify and help prevent transactions – particularly unusual or uncharacteristic transactions – that could involve fraud or be the result of a scam. However, there is a balance to be struck: as while banks and Electronic Money Institutions should be alert to fraud and scams to act in their customers' best interests, they can't reasonably be involved in every transaction.

I've thought about whether Revolut acted fairly and reasonably in its dealings with Mr J when he made the payments, or whether it should have done more than it did.

Having considered the payments individually and in combination, I don't think the payments were of an unusually excessive value that it ought to have caused Revolut to be concerned that Mr J was at risk of financial harm. Where payments were made on the same day they were made to multiple merchants and their collective value wasn't such that I would have expected Revolut to have intervened. The payments wouldn't have been identifiably for online gambling, which I'll come on to below, so I don't think Revolut ought to have been concerned by them. I therefore don't think it was unreasonable for Revolut to process the payments in-line with Mr J's payment instructions.

Mr J told our service he added a gambling block to his Revolut account to help protect himself from harm due to gambling. Revolut told us the block was placed after the payments were made, which Mr J disputes. However, the payments Mr J made towards the gambling site were via merchants using disguised Merchant Category Codes (MCC). This means the payments wouldn't have been identifiably for the purposes of gambling and so any block that may have been in place to prevent payments would have been circumvented. This means that when the payments were made whether there was a gambling block in place on Mr J's account or not, it wouldn't have made a difference.

Mr J has confirmed at the time he made the payments, he was aware he was using an online gambling site and the transactions he was making were gambling ones. I'm therefore satisfied Mr J received the services he was paying for, which in this instance were gambling transactions. This means a fraud chargeback wouldn't have been successful.

The card Mr J used to make the payments was a MasterCard one. There is a Mastercard chargeback rule relating to 'transaction laundering'. To understand the designed purpose of this rule, and whether it could be applied to claims such as the one Mr J attempted to make, we've recently contacted Mastercard to understand the intention behind this rule and the circumstances in which it can be relied on.

In its response to our service, a representative of Mastercard confirmed the rule wouldn't apply for the transactions Mr J had made. And they confirmed there are no chargeback rights for any sort of gambling transactions, where they have been made by someone knowing these were gambling transactions. Mastercard also told us the rule relating to transaction laundering wouldn't be applied in circumstances where an incorrect MCC had been used to circumvent a gambling block. And they further clarified that the onus sits with the merchant acquirer to ensure that merchants are using the correct codes to identify themselves but there are no chargeback rights in the situation Mr J finds himself in.

I've also considered Mr J's comments that he was unable to withdraw winnings from the website. However, Mastercard's rules don't permit chargebacks to be raised for someone trying to recoup winnings or withdrawals.

I'm therefore satisfied that the Mastercard rules weren't intended to be used in the manner Mr J would have liked. So, I don't think Revolut's actions could have led to a different outcome for him.

I'm sorry to disappoint Mr J further, but I've thought carefully about everything that has happened, and with all the circumstances of this complaint in mind I don't think Revolut needs to refund Mr J's money or pay any compensation. I realise this means Mr J is out of pocket and I'm really sorry he's lost this money. However, for the reasons I've explained, I don't think I can reasonably uphold this complaint.

My final decision

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 J to accept or reject my decision before 14 April 2026.

Charlotte Mulvihill
Ombudsman