

## **The complaint**

Mr K 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.

I'm very aware that I've summarised this complaint very briefly, in far less detail than has been provided, and in my own words. No discourtesy is intended by this. Instead, I've focussed on what I think is the heart of the matter here, should Revolut have considered the payments in dispute as unusual or suspicious.

In broad terms, the starting position in law is that an EMI is expected to process payments that their customer authorises them to make. It isn't disputed that Mr K authorised the payments from his Revolut account. Therefore, under the Payment Services Regulations and the terms of her account, Revolut is expected to process Mr K's requests, and he is presumed liable for the loss in the first instance.

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 in September 2023 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 (among other things). 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;
- 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 – (as in practice Revolut sometimes does);
- have been mindful of – among other things – common scam scenarios, how the 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.

Bearing this in mind, and having considered the circumstances of this case, I'm satisfied it wouldn't be reasonable to expect Revolut systems to have been triggered by the payments in dispute. The payments being disputed here were, individually, of a relatively low value –

with £1,496 being the highest and £150.00 being the lowest and the total loss amounting to £2,178 (not taking into consideration £70 returns from the scammer).

Having reviewed Mr K's statements, I'm satisfied he'd made payments of a similar or greater value in the prior 12-months. Because of this, the individual values of the payments wouldn't have been seen by Revolut as being unusual or out of character for Mr K. While I accept that the amount of money Mr K sent is clearly significant to him, this doesn't in itself suggest a heightened risk of fraud.

Revolut has a difficult balance to strike in how it configures its systems to detect unusual activity or activity that might otherwise indicate a higher than usual risk of fraud. There are many millions of payments made each day and it would not be possible or reasonable to expect an EMI to check each one. As I mentioned above, while I don't doubt the payments represented a lot of money to Mr K, they are of values which I don't think would have appeared so suspicious or unusual to Revolut when compared with other payments that it processes daily. So, overall I don't consider the payments Mr K made to have been remarkable enough to have warranted Revolut to act and have contacted Mr K ahead of processing them.

Mr K is of the opinion that due to the payments being made to new cryptocurrency accounts and the transaction leaving the account in the same day, it shouldn't be considered part of his usual account activity. Mr K did make payments from his Revolut account to a legitimate crypto provider, as part of the scam. By September 2023, I do accept that cryptocurrency investment scams were on the rise and Mr K has said that due to this Revolut ought to have identified the payments as suspicious. While crypto providers are sometimes used for this purpose, they're 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 banks 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.

While Mr K is of the opinion the payments debiting the account on the same day indicate hallmarks of a scam, I disagree, I say this because as discussed above the payments were all relatively low in value and the volume of payments were not made in quick succession. There were hours between payments, as such it didn't appear the payments were being made under pressure and Mr K had sufficient time to reflect and carry out any research he wished to do between each payment.

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 K's instructions. In Mr K's submissions he has said "It is also important to note that I was under duress and being influenced by a third party at the time, which significantly increased the risk surrounding these transactions". And while I agree, as I have concluded it was reasonable for Revolut to process Mr K's requests without an intervention, it wouldn't have established that Mr K was making the payments 'under duress'. As such, it would be unreasonable to hold Revolut accountable for this.

I have gone on to consider if Revolut took reasonable steps to try and recover the funds. As, Mr K made the payments 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.

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 K's payments into cryptocurrency. Therefore, they provided the service that was requested. I appreciate the cryptocurrency was later transferred to the scammer but that does not give rise to a valid chargeback claim against the merchant Mr K paid. As the cryptocurrency exchange provided the requested service to Mr K so any chargeback attempt would have likely failed. It follows I won't be asking Revolut to do anything further.

### **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 K to accept or reject my decision before 19 March 2026.

Jade Rowe  
**Ombudsman**