

## **complaint**

Mr H's complaint is that Revolut Limited's cryptocurrency exchange service did not provide transparent information about exchange rates/fees. He says the fees he incurred in the exchange transactions within his Revolut account, in 2018, were unreasonable. He seeks a refund in this respect. Revolut disputes the complaint.

## **background**

One of our investigators looked into the complaint and concluded that it should not be upheld. In the main, he noted that information about transaction fees was provided in Revolut's website, including an explanation about how the fees were calculated; that information about fees and pricing was also available in the terms for the account; and that Revolut should not have to refund Mr H's transaction fees.

Mr H disagreed with this outcome. He said:

- Revolut's information did not advise that fees may fluctuate at times when the exchange is at its busiest or quietest.
- Information about how crypto to crypto exchange fees convert back into FIAT currency was not transparent.
- His last trade with Bitcoin Cash followed the wrong ticker/price of Bitcoin ABC.
- During the time of his transactions exchanges for purchasing Bitcoin Cash were frozen – unknown to him and most investors at the time.
- The US Securities and Exchange Commission (SEC) is looking into mass market manipulation by multiple crypto exchanges, artificially moving prices in order to earn trading fees.

The investigator did not alter his view. He considered that the matter of fluctuating fees was a factor related to the nature of the product; that the matter of how crypto fees were converted back into currency was sufficiently addressed in the terms for the account; that Revolut cannot be held responsible for the exchanges having been frozen; and that there are currently no findings against Revolut with regards to Mr H's reference to an investigation of mass market manipulation.

Despite this outcome, Mr H maintained his complaint and his claim for a refund. The matter was referred to an ombudsman.

## **my findings**

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

I note that Mr H submitted, to this service, information and documents in support of his core complaint issue and also in support of secondary matters he raised about practices and alleged malpractices in the crypto exchange market. Nevertheless, the complaint issue, the investigator's findings and Mr H's reasons for disagreeing with those findings – as summarised above – are the core matters to consider and determine.

Revolut's general terms for the account – as of 2018 – suggest that they would have been agreed by Mr H before his account could have been opened. The terms describe the purpose of the account as being to hold and manage electronic money (EM). Under the section titled "Exchanging Electronic Money" the terms explain that this function takes place when account holders enter their exchange requests into the "Electronic Money Exchange" and that prior to sending such requests account holders will be informed of the amount of EM to be used to purchase the amount of EM they require and the exchange rate to be used.

The terms referred account holders to its "*Fees and Pricing Section*". This section provided reasonably detailed information about subscription fees, fees for specific services (most of which were free), transaction charges and exchange rates. The terms also say that other transactional fees are shown on the platform prior to an account holder accepting such fees and completing the relevant transaction.

Revolut's terms for a *personal account* refer account holders to an "FAQ" section in order to understand how the account works. The cryptocurrency subsection(s) within this addresses a variety of subjects and I consider it reasonable for Mr H to have familiarised himself with information about the subjects relevant to the cryptocurrency activities he intended to conduct. The type of exchange used by Revolut and the calculation of the rates used for cryptocurrency exchanges would have been two such subjects.

In relation to the former – that is, type of exchange – the FAQ section refers to Bitstamp – a third party cryptocurrency exchange – and says it "... *streams prices from Bitstamp and calculate a Volume Weighted Average Price (VWAP) after taking into account other factors such as market depth and volatility.*" With regards to the latter – that is, calculation of rates – the FAQ repeats its reference to VWAP and to market depth and volatility. It also says:

*"We then apply a 1.5% markup on our derived rate, which is the rate you receive in the app ... Please note that 1.5% is not the buy/sell spread. **The price you pay is locked in at the time of the exchange settlement.**"*

Overall and on balance, I am not persuaded by Mr H's assertion that Revolut's cryptocurrency exchange related rates/fees were not transparent. The general terms provided the Fees and Pricing Section and the website gave reasonably prominent notice to account holders directing them to use the FAQ section to understand how their accounts work. The FAQ section then provided more details. With Mr H's cryptocurrency trading purpose, he would have been informed by the FAQ contents relevant to that purpose and, as I have noted above, information about rates and fees was available in that context.

As a part of his wider submissions, Mr H queried Revolut's management of a cryptocurrency hard fork event(s) that affected a transaction(s) of his. The cryptocurrency subsection of the FAQ section addressed this subject too and confirmed Revolut's discretion to react to such events on a case by case basis. The FAQ section also has subsections about converting from and to cryptocurrencies, which would have addressed Mr H's point about how crypto to crypto exchange fees converted back into FIAT money.

Mr H's point about fluctuating rates/fees appears to be met by Revolut's use of prices from a third party exchange. As the investigator suggested, fluctuations would have been within the expected nature of a currency (or cryptocurrency) exchange – and of the prices coming from such an exchange. The fact that the exchange belonged to a third party supports the investigator's conclusion that Revolut cannot reasonably be held responsible for Mr H's assertion about a frozen exchange. If, in this respect, his assertion relates to another exchange(s) I have not seen evidence that Revolut controlled or administered an exchange so the same conclusion would apply.

I have not seen enough evidence to show a wrongdoing by Revolut with regards to Mr H's reference to an inaccurate Bitcoin ABC ticker/price – or that it is a complaint that was put to and addressed by Revolut as part of the rates/fees issue – and I have seen no evidence of any wrongdoing on its part with regards to the alleged market manipulation he mentioned.

**my final decision**

For the reasons given above, I do not uphold Mr H's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 1 December 2019.

Roy Kuku  
**ombudsman**