

## **The complaint**

Ms A complains that Revolut Ltd will not refund card payments she believed were going to a legitimate trading company which she says turned out to be a scam.

Ms A is represented in this matter by CEL Solicitors (“CEL”). For simplicity, I will refer to CEL’s actions and submissions as those made by Ms A.

## **What happened**

The circumstances of this complaint are well known to both parties, so I will not repeat them all again here in detail. But I will provide an overview of events below.

In short, Ms A made several card payments to a cryptocurrency exchange I will refer to as B in this decision. These payments were made using Ms A’s Revolut card. Ms A says she believed the payments would go from B to her trading platform account with an investment trading company. However, she says she later discovered she had been scammed and lost all her money.

Ms A contacted Revolut about this and asked it to try to recover her money. As this did not happen, she raised a complaint which referred to our Service.

One of our investigators considered the complaint and did not uphold it. As Ms A did not agree with the investigator’s findings, this matter has been passed to me to make a 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.

Having done so, I agree with the conclusions reached by the investigator for reasons I set out below.

But first, 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.

### *Intervention*

Ms A says Revolut should have flagged the transactions concerned and stopped them. Having considered this, I am unable to agree. I say this because I am not persuaded that Revolut ought to have intervened regarding the payments. That is, I am not persuaded Revolut ought to have been alerted to the payments, delayed them and asked questions to get to the bottom of what was going on. In my view, I do not find the payments remarkable in any way to be cause for concern.

Ms A also argues that Revolut should have stopped the payments as they were being made to a 'banned' company. From what I have considered, this is not an accurate assertion. That is, there is nothing credible I have seen which suggests the purchasing of cryptocurrency from B is 'banned'. It follows that I am not of the view Revolut should have stopped Ms A's payments to B.

### *Chargeback*

Chargeback is an entirely voluntary scheme, which means banks are under no formal obligation to raise a chargeback claim. The scheme operator can ultimately arbitrate on a dispute between the merchant and customer if it cannot be resolved between them. However, such an arbitration is subject to the rules of the scheme – so there are limited grounds on which a chargeback can succeed. My role is to determine whether the regulated card issuer (in this case, Revolut) acted fairly and reasonably in its decision not to pursue a chargeback on behalf of its cardholder (in this case, Ms A).

Ms A made the payments concerned to B, which is a cryptocurrency exchange. The service they provided her was the purchase of cryptocurrency. Because of this, if Revolut had raised a chargeback, I am persuaded it would have likely been unsuccessful. I say this because the alleged scam company was not a party to the card payments, so Ms A could not have a valid claim against the legitimate merchants (B) she paid. B provided their services as intended, which was to purchase cryptocurrency. The subsequent transfer of this would not give rise to a valid chargeback claim.

It follows that Revolut acted fairly and reasonably by not raising a chargeback on Ms A's behalf, as B would have likely been able to defend such a claim. This is supported by the fact that I can see Revolut raised an 'informal chargeback' against B – as it felt Ms A had no valid rights under the formal process – which B responded to defending its position.

### **My final decision**

For the reasons set out above, my final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms A to accept or reject my decision before 18 October 2022.

Tony Massiah  
**Ombudsman**