

## **The complaint**

Mr S complains that Revolut Ltd won't refund the money he lost when he fell victim to two investment scams.

## **What happened**

The details of this complaint are well known to both parties, so I won't repeat them again here. The facts are not in dispute, so 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.

Having done so, I agree with the conclusions reached by the investigator for these reasons:

In line with the Payment Services Regulations 2017, Revolut is expected to execute authorised payment instructions without undue delay. It is agreed that Mr S authorised the payments he is disputing – so the starting position is that he, rather than Revolut, is liable for them.

However, there are circumstances when it might be appropriate for Revolut, as an electronic money institute (EMI), to identify a fraud risk and to therefore take additional steps before processing a payment. Such as when the payment is significantly unusual or uncharacteristic when compared to the normal use of the account.

Although Mr S's representative has argued that the payments were out of character, I'm not persuaded they were so unusual that Revolut ought to have identified them as presenting a clear fraud risk. I appreciate Mr S generally used the account for low-level spending. But there were some payments in and out of the account for a few hundred pounds. And there is a balance to be struck between identifying payments that could potentially be fraudulent – and then responding appropriately to any concerns – and ensuring minimal disruption to legitimate payment.

The payments were all made to the same, legitimate cryptocurrency merchant. They were spread out with gaps of at least a few days in between each payment. Only one payment was over £1,000 – and by that point, Mr S had paid the merchant twice before, for individual amounts around £420 and £860. So I do not consider the highest payment (for around £1,300) so significant a change that Revolut ought to have been concerned. Overall, I do not think it looked suspicious in amongst Mr S's account activity.

I therefore do not think Revolut is at fault for not identifying a fraud risk when Mr S made these payments. And so it was reasonable for it to simply process the payments in line with the authorised instructions it received.

When Mr S notified Revolut that he had been scammed, there was some discussion about raising a chargeback claim – but it does not appear he pursued this. Nor do I think he would have been able to recover his funds through the chargeback scheme. That is because the scheme only covers disputes about the merchant paid directly. Mr S's dispute is not about the legitimate cryptocurrency merchant he paid, but the scammers he transferred the funds on to. So I do not think Revolut missed an opportunity to help Mr S recover his loss.

### **My final decision**

For the reasons given 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 Mr S to accept or reject my decision before 1 September 2023.

Rachel Loughlin  
**Ombudsman**