

## The complaint

Mrs L complains that Revolut Ltd (Revolut) is refusing to refund her the amount she lost as the result of a scam.

Mrs L is being represented by a third party. To keep things simple, I will refer to Mrs L throughout my decision.

## What happened

The background of this complaint is well known to all parties, so I won't repeat what happened in detail.

In summary, Mrs L saw an advertisement online for investments in cryptocurrency with a business called Voltagon (X). The advertisement looked professional and appeared to be endorsed by well-known celebrities which gave Mrs L confidence the investment was legitimate.

After completing her details online Mrs L was contacted by X and she was persuaded to invest with it. Mrs L downloaded the screen sharing application AnyDesk and X showed her the investment process. X also helped Mrs L download an account with Revolut which it said was required to buy cryptocurrency.

After investing a relatively small amount and seeing a return on her investment Mrs L's confidence grew and she started to invest more and more.

However, when Mrs L decided to make a withdrawal from the investment X convinced her she had to make further payments so her funds could be released. Concerned about losing the funds she had invested Mrs L agreed to make further payments and even took out loans to cover the payments she was making. But eventually X stopped communicating with Mrs L and it became apparent she had fallen victim to a scam.

Mrs L made the following payments into the scam via several cryptocurrency exchanges using her debit card:

Date	Payee	Amount
24 February 2022	MT Payment	£983.16
8 March 2022	MT Payment	£3,880.88
8 March 2022	MT Payment	£1,034.90
12 April 2022	Moonpay	£0.00
13 April 2022	MT Payment	£3,104.70
13 April 2022	MT Payment	£2,794.23
10 May 2022	Moonpay	£0.00
10 May 2022	Simplex	£12,200.00
10 May 2022	Moonpay	£2,802.00
11 May 2022	Wallbitex Exchange	£3,797.81
11 May 2022	Wallbitex Exchange	£3,795.68
11 May 2022	Wisensex	£3,578.28

11 May 2022	Wisenix	£3,494.51
11 May 2022	Wisenix	£3,764.08
11 May 2022	Wallbitex Exchange	£3,695.54
12 May 2022	Simplex	£16,000.00
12 May 2022	Wallbitex Exchange	£3,345.98
12 May 2022	Wallbitex Exchange	£2,983.98
13 May 2022	Simplex	£9,000.00
13 May 2022	Simplex	£3,000.00
17 May 2022	Wallbitex Exchange	£3,594.16
17 May 2022	Wallbitex Exchange	£3,593.90
17 May 2022	Wisenix	£3,555.81
17 May 2022	Wisenix	£3,511.98
17 May 2022	Wallbitex Exchange	£1,257.71
17 May 2022	Wisenix	£3,466.29

### **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.

It has not been disputed that Mrs L has fallen victim to a cruel scam. The evidence provided by both Mrs L and Revolut sets out what happened. What is in dispute is whether Revolut should refund the money Mrs L lost due to the scam.

#### *Recovering the payments Mrs L made*

Mrs L made payments into the scam via her debit card. When payments are made by card the only recovery option Revolut has is to request a chargeback.

The chargeback scheme is a voluntary scheme set up to resolve card payment disputes between merchants and cardholders. The card scheme operator ultimately helps settle disputes that can't be resolved between the merchant and the cardholder.

Such arbitration is subject to the rules of the scheme, meaning there are only limited grounds and limited forms of evidence that will be accepted for a chargeback to be considered valid, and potentially succeed. Time limits also apply.

The chargeback process is in place to refund customers when they pay for goods or services on their card that are not received. In this case Mrs L knowingly purchased cryptocurrency via several cryptocurrency exchanges and this service was provided to her. Therefore, the chargeback option would not have been available to her as her dispute is with X, not the cryptocurrency exchanges and any chargeback attempt against the cryptocurrency exchanges would likely have failed.

With the above in mind, I don't think Revolut had any recovery options available to it for the payments Mrs L made.

#### *Should Revolut have reasonably prevented the payments Mrs L made?*

It has been accepted that Mrs L authorised the payments that were made from her account with Revolut, albeit on X's instruction. So, the starting point here is that Mrs L is responsible.

However, banks and other Payment Services Providers (PSPs) do have a duty to protect against the risk of financial loss due to fraud and/or to undertake due diligence on large

transactions to guard against money laundering.

The question here is whether Revolut should have been aware of the scam and stepped in and questioned Mrs L about the payments she was making. And if it had questioned Mrs L, would it have been able to prevent the scam taking place.

I think it could be argued that by the time Mrs L made a second payment on 13 April 2022 totalling more than £5,000 in a single day, that Revolut's fraud prevention systems should have been triggered prompting it to step in and question Mrs L about the payments she was making. Especially as she had also opened the account giving the reason "*spend and save daily*" and she was clearly using the account to pay cryptocurrency exchanges.

But even if Revolut had stepped into question Mrs L about the payments she was making I think it's unlikely Mrs L would have given honest answers to the questions Revolut would have asked and therefore unlikely the scam would have been uncovered.

I say this because Mrs L agreed to open a Revolut account for the purpose of investing but gave the reason as "*spend and save daily*". Mrs L has also confirmed, and I can see from the evidence provided, that she was coached about what to say if she was questioned about the payments and was willing to give incorrect information so that the payments were processed.

With the above in mind, although I think Revolut could have done more I don't think it missed an opportunity to prevent the scam. So Revolut is not responsible for Mrs L's loss.

### **My final decision**

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs L to accept or reject my decision before 5 February 2024.

Terry Woodham  
**Ombudsman**