

Reversing bank and credit card transfers

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When users realize they've been a victim of a cryptocurrency scam, it is common for them to try and determine if any funds can be recovered. Cryptocurrency transactions can't be reversed once they have been sent and confirmed on the blockchain, however, credit card payments and sometimes bank transfers that funded the purchases of cryptocurrency, which was then sent to scammers, can sometimes be reversed, albeit with some important caveats.

For cryptocurrency purchases that were performed with a credit card, they may be reversible through a chargeback that can bring to your credit card issuing bank. For bank transfers on the ACH network in the US, they can sometimes be reversed by contacting your bank, if done promptly. International wire transfers are not as easy to reverse, but can sometimes be reversed or recalled if done quickly enough.

However, even if these transfers are reversed, they may not address the underlying issues and may end up causing more issues for the user in some cases. This is because the risk management personnel at crypto exchanges are aware that such transfers can sometimes be reversed. Therefore, most exchanges implement a holding period on cryptocurrency assets purchased with newly deposited fiat currency, and ensure appropriate collateral is held in the account before the holding period clears.

Thus reversing the bank transfers may not be of much benefit in the end anyways. Additionally, the terms of services at most cryptocurrency exchanges will generally hold the user liable for fraudulent transfers performed in connection with their exchange account anyway, which is why some people owe exchanges money after a theft has occurred from their own exchange account.

The critical thing to remember is the cryptocurrency transactions, once sent, are not reversible, and thus users should be cautious before sending any amount of cryptocurrency to another person or another purported exchange platform.
