

The complaint

Mr I complains that Revolut Ltd won't refund money he lost, after he fell victim to an Authorised Push Payment (APP) scam.

Mr I in bringing his complaint to our service is being represented. For ease of reading, I'll refer to both his and his representative's submissions as Mr I's own.

What happened

The background to this complaint is well-known to both parties, so I won't repeat it all here. But briefly, and based on the submissions of both parties, I understand it to be as follows.

Mr I saw an advert for a job opportunity on a well-known social media platform in December 2021. Mr I was looking for a new job opportunity as he says he was aware his job at the time was temporary.

I understand the employment opportunity involved promoting and 'liking' posts and videos across various social media platforms. This is how Mr I understood he'd make money.

Mr I has told us that prior to proceeding he'd spoken to a friend who'd taken up a role around a month before, he searched the company online and found videos from others who were purportedly working with the company. After carrying out his research Mr I says he told his friend he was interested in the opportunity and they sent him a link to be able to put himself forward. He received a link to set up an account with the company and was given access to a group discussion/messaging app.

Mr I made some initial payments from an account he holds with a different bank to unlock tasks. After completing the tasks as instructed by the company, I understand Mr I was able to withdraw the amounts of £10 in December 2021 and £389 in January 2022 into his account with the other bank.

Mr I then proceeded to make seven payments from his account with Revolut totalling £9,450 to five different payees between 4 January 2022 and 7 February 2022.

For ease, I've set out the payments Mr I made in the table below:

| Date | Payee | Amount |
|-----------------|--------------|---------------|
| 4 January 2022 | Payee 1 | £500 |
| 22 January 2022 | Payee 2 | £500 |
| 22 January 2022 | Payee 2 | £100 |
| 2 February 2022 | Payee 3 | £1,600 |
| 4 February 2022 | Payee 4 | £1,100 |
| 6 February 2022 | Payee 5 | £2,950 |
| 7 February 2022 | Payee 4 | £2,700 |

Mr I explains that he completed tasks daily and could see his credits in his account for the tasks he completed. In February 2022, Mr I attempted to withdraw his funds – around this time he messaged on the group discussion as says others also voiced their complaint about the withdrawal process. Mr I waited to receive his funds but he didn't receive any money. Mr I told us that at this time when he tried to log onto his account he was unable to get back in. It was then that he became concerned he'd been the victim of a scam.

Mr I contacted Revolut via its in-app chat on 14 February 2022 to report what had happened. Revolut informed Mr I that it wouldn't be reimbursing him the money he'd lost. It considered it wasn't liable for Mr I's losses as it provided him with warnings when he made the payments.

Unhappy with Revolut's response, Mr I brought his complaint to our service. One of our Investigator's looked into things, but she didn't think the complaint should be upheld. In summary, she didn't think the payments were particularly unusual or suspicious in appearance to Revolut that meant it should've intervened before allowing the payments to be made. While she recognised that Mr I didn't often make larger payments from his Revolut account, she didn't think the payments made to the scammer were so remarkable in value that she'd have expected Revolut to be concerned. She also thought about the payments being made to five new payees but given that the payments were made on different days, over the period of a month, she didn't think this ought to have put Revolut on notice that he was at risk of financial harm from fraud. She also thought that had Revolut contacted the receiving banks as soon as it became aware of the scam, that this wouldn't have made a difference in this case. Our Investigator reached out to the two receiving banks Mr I sent his money to. The bank where the majority of Mr I's funds had been sent to provided information that showed the funds had left the receiving accounts prior to him reporting the matter to Revolut. While no response was received from the other receiving bank, she thought it was unlikely that any funds would've remained given what she'd seen.

As Mr I didn't agree with our Investigator's opinion, his complaint has been passed to me for a final 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.

I'm sorry to hear Mr I was the victim of a scam and I can understand why he wants to do all he can to recover the money he lost.

The key questions to consider here are whether Revolut should have recognised Mr I's payments as being suspicious and intervened - and whether it did enough once aware of the fraud to recover his funds.

Having considered whether Revolut could, or should, have done more to stop Mr I making the payments he did, I don't think I can fairly or reasonably ask Revolut to take responsibility for the money Mr I has lost. I understand this will be a very disappointing outcome for Mr I, so I'll explain why.

I accept Mr I has been the victim of a cruel scam – and it's clear that this has impacted him both financially and emotionally. But that alone doesn't mean Mr I must be reimbursed by Revolut. That all depends on whether Revolut did anything wrong – that is, could it have done any more to prevent the scam from taking place or intervened so that Mr I would have realised what was happening and stopped before sending the money.

In broad terms, the starting position at law is that a bank is expected to process payments and withdrawals that a customer authorises it to make, in accordance with the Payment Services Regulations and the terms and conditions of the customer's account. Although the money was not intended to go to a fraudster, Mr I is presumed liable for the loss in the first instance.

But taking into account the law, regulatory rules and guidance, relevant codes of practice and good industry standards, there are circumstances where it might be appropriate for Revolut, as an electronic money institute ('EMI'), to take additional steps or make additional checks before processing a payment in order to help protect its customer from the possibility of financial harm from fraud.

Revolut has a difficult balance to strike in how it configures its systems to detect unusual activity or activity that might otherwise indicate a higher than usual risk of fraud. There is a delicate balance to be struck. There are many millions of payments made each day and it would not be possible or reasonable to expect a bank to check each one. And, in situations where Revolut do intervene, I would expect that intervention to be proportionate to the circumstances of the payment.

In this case, I don't consider Revolut acted unfairly or unreasonably in allowing the payments to be made. When thinking about the payments Mr I made, I don't consider these to be so out of character to previous account activity, nor do I find the value of the payments to be so remarkable that they ought to fairly and reasonably have caused Revolut concern. With this in mind, I'm not persuaded Revolut needed to provide a warning when Mr I made these payments. But in any case, Revolut did provide a written warning on some of the payments. And, while I think those warnings could have been better, I don't think a more tailored warning would have stopped Mr I from going ahead.

Revolut has provided information that shows online written warnings were provided for the payments of £1,600, £1,100 and £2,950. I've thought about the warning Revolut says Mr I was given. The warning wasn't great, - in that it didn't identify any particular risk, but even if it had been, (1) it doesn't appear Mr I remembers any warnings and (2) it would have been difficult for it to be tailored to the scam. This is because, the scam wasn't typical and it would've been difficult for a warning to have covered off the specific aspects of the scam Mr I fell victim to.

With the above in mind, I'm persuaded Revolut did enough in providing a warning to Mr I when he made the payments identified above. I think that was a proportionate intervention, given the individual circumstances of this case, and I'm not persuaded Revolut needed to do anything more.

Finally, I've also gone on to consider whether Revolut took reasonable steps to recover Mr I's funds once it was aware of what had happened. From what I've seen, I think Revolut ought to have acted more quickly when attempting to recover Mr I's funds. This said, even if I consider Revolut could've done more here, I don't find this made a difference in this case. Mr I sent his money to five different beneficiary accounts. Our Investigator reached out the two receiving banks (where the money was sent to), but she only received a response from one of the banks. From the information I've seen from the bank Mr I sent the majority of his money to, I note the money had already been removed by the fraudsters prior to Mr I reporting the matter to Revolut.

While, the other receiving bank didn't respond to our Investigator, it is quite typical with these types of scams for the fraudster to move the money out of the account quickly after the payments are made, presumably to frustrate the efforts at recovery. On balance, given the information I've seen that shows the fraudsters promptly moved Mr I's funds from the other accounts the payments were sent to, on balance, I don't think there was anything more Revolut could've done in this case to recover Mr I's funds.

It's very unfortunate Mr I has lost this money in this way, and I understand the whole experience has been deeply upsetting and I have a great deal of sympathy for him. But in the circumstances, I don't think I can fairly or reasonably say Revolut should have done more to prevent Mr I from losing this money.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr I to accept or reject my decision before 11 April 2023.

Staci Rowland
Ombudsman