

The complaint

Mr M complains about Revolut Ltd.

He says that Revolut didn't do enough to protect him when he became the victim of a scam and would like Revolut to refund him the money he has lost.

What happened

Mr M was seeking employment and was contacted by an individual who claimed to work for Trip Advisor.

Mr M was offered employment supposedly in task based digital marketing, where he would advertise holiday destinations via a link provided with in a WhatsApp group chat that had been set up for all participants.

Mr M had to purchase the tasks with cryptocurrency in order to earn commission.

Mr M began paying for the crypto via his account with HSBC and was able to withdraw £80 and then £437.95 which made him feel the opportunity was legitimate.

Because of this, Mr M then made further payments from his account with Revolut as set out below.

Date	Payee	Payment type	Amount
30/12/2022	Binance	Card	£125
04/01/2023	Binance	Card	£80
04/01/2023	Binance	Card	£4,700
		Total	£4,905

Unfortunately, once M R had made the last large payment, he was pressured to pay even more money before he could access his supposed commission – and it was then that he realised he had been scammed.

Mr M complained to Revolut, but it didn't uphold his complaint. He then brought his complaint to this Service.

Our Investigator looked into things but didn't think the complaint should be upheld.

Mr M then asked for a final decision, so the complaint has been passed to me.

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've decided not to uphold Mr M's complaint for broadly the same reasons as our Investigator. I know this will be disappointing for Mr M, so I'll explain why.

It isn't in dispute here that Mr M has been the victim of a scam and has lost money as a result. However, even when it is clear that a scam has taken place, and an individual has been tricked out of their money, it doesn't necessarily follow that a business will need to refund the money that has been lost.

In deciding what's fair and reasonable in all the circumstances of a complaint, I'm required to take into account relevant: law and regulations; regulators' rules, guidance and standards; codes of practice; and, where appropriate, what I consider having been good industry practice at the time.

In broad terms, the starting position at law is that banks, electronic money institutions (EMI's) and other payment service providers (PSP's) are expected to process payments and withdrawals that a customer authorises it to make, in accordance with the Payment Services Regulations (PSRs) and the terms and conditions of the customer's account.

Mr M authorised the payments in question here – so even though he was tricked into doing so and didn't intend for his money to end up in the hands of a scammer, he is presumed liable in the first instance.

But this isn't the end of the story. As a matter of good industry practice, Revolut should also have taken proactive steps to identify and help prevent transactions – particularly unusual or uncharacteristic transactions – that could involve fraud or be the result of a scam. However, there is a balance to be struck: banks had (and have) obligations to be alert to fraud and scams and to act in their customers' best interests, but they can't reasonably be involved in every transaction

Taking into account the law, regulator's rules and guidance, relevant codes of practice and what I consider having been good industry practice at the time, I consider Revolut should fairly and reasonably:

- Have been monitoring accounts and any payments made or received to counter various risks, including anti-money laundering, countering the financing of terrorism, and preventing fraud and scams.
- Have had systems in place to look out for unusual transactions or other signs that might indicate that its customers were at risk of fraud (among other things). This is particularly so given the increase in sophisticated fraud and scams in recent years, which banks are generally more familiar with than the average customer.
- In some circumstances, irrespective of the payment channel used, have taken additional steps, or make additional checks, before processing a payment, or in some cases declined to make a payment altogether, to help protect customers from the possibility of financial harm from fraud.

In this case, I need to decide whether Revolut acted fairly and reasonably in its dealings with Mr M when he authorised payments from his account or whether it could and should have done more before processing the payments.

Looking at Mr M's account, it appears that he opened it with the sole purpose of making the payments to the supposed investment – so Revolut didn't have much to compare Mr M's usual spending patterns to.

However, like our Investigator, I agree that payments to cryptocurrency do carry an elevated risk that Revolut should have been aware of - and that it should have shown Mr M a tailored warning about cryptocurrency investment scams.

But in order for me to uphold this complaint, I would also need to think that such a warning would have prevented Mr M's loss here – and I'm afraid that I don't think that it would. Mr M had fallen victim to a job scam – not a crypto investment scam – and so the warning would not have been applicable to his personal circumstances. Mr M has already explained that he was happy with the way things were going and that he had already received money back from the scammers – so I don't think that a warning about crypto investment scams would have persuaded him not to make the payment.

I also don't think that the payment was so unusual to have prompted Revolut to have gone beyond this with a human intervention through its app either. I know that Mr M's representative thinks that the written warning should have also covered 'job scams' – however at this time, the most common scam involving crypto currency was an investment scam, so I don't think Revolut was required to provide such a warning at this time.

I am very sorry to learn of the situation Mr M now finds himself in – he has been the victim of a cruel scam and has lost a lot of money as a result – but this is the fault of the scammers themselves, and I can't ask Revolut to refund Mr M when I don't think it has done anything wrong.

My final decision

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 11 April 2024.

Claire Pugh
Ombudsman