

The complaint

Miss C complains that Revolut Ltd hasn't refunded her after she fell victim to a scam.

What happened

Miss C was contacted by someone claiming to offer an opportunity for work. She was looking for employment at the time and so was interested. This was in July 2023.

She found out more about the job, which was to involve the completion of tasks with the view to optimising performance and popularity of different apps and businesses. Miss C was to receive a commission for the work she completed. She had to set up a crypto wallet to facilitate the work and receive payment. Her Revolut account was established to fund that crypto wallet. But, unbeknownst to Miss C at the time, she'd been contacted by a scammer and the whole setup was a deception.

Miss C did carry out some of the work she was given, and even received some payment. But she was then told she'd need to fund her account to be able to continue work and receive her commission. As a result of this she sent a total of £3,237.91 to her crypto wallet, which was then sent on to the scammers. This sum was sent across five payments, over three days. The smallest was for £70.01 whilst the largest was £1,601.82.

Miss C realised she'd been scammed when the instruction to fund her account kept coming through, and the sums being requested kept increasing. She contacted Revolut to report what had happened.

Revolut investigated Miss C's scam claim but said it wouldn't be able to refund her. It said the payments to the crypto wallet had been to a legitimate merchant and it had no reason to suspect anything was amiss.

Revolut said it couldn't refund her through the chargeback scheme because of the nature of the payments: they'd been properly authorised and went to a legitimate merchant at Miss C's instruction, with the money being lost through the onward transfer from the crypto wallet.

Miss C didn't agree with Revolut's answer to her complaint and so referred it to our service.

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 that Miss C has been the victim of a cruel scam, particularly at a time when she was trying to honestly generate some income for herself. I don't doubt that she believed in the legitimacy of what she was doing at the time. And nor do I underestimate the significance of this loss to Miss C. But I'm afraid hers isn't a complaint I can uphold; I don't find that Revolut has acted unfairly or unreasonably here. I'll explain why.

In broad terms, the starting position at law is that an Electronic Money Institution ("EMI") such as Revolut is expected to process payments and withdrawals that a customer

authorises it to make, in accordance with the Payment Services Regulations (in this case the 2017 regulations) and the terms and conditions of the customer's account.

But, taking into account relevant law, regulators rules and guidance, relevant codes of practice and what I consider to have been good industry practice at the time, I consider it fair and reasonable in July 2023 that Revolut should:

- have been monitoring accounts and any payments made or received to counter various risks, including 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 firms are generally more familiar with than the average customer;
- have acted to avoid causing foreseeable harm to customers, for example by maintaining adequate systems to detect and prevent scams and by ensuring all aspects of its products, including the contractual terms, enabled it to do so;
- in some circumstances, irrespective of the payment channel used, have taken additional steps, or made additional checks, or provided additional warnings, before processing a payment – (as in practice Revolut sometimes does including in relation to card payments);
- have been mindful of – among other things – common scam scenarios, how the fraudulent practices are evolving (including for example the common use of multi-stage fraud by scammers, including the use of payments to cryptocurrency accounts as a step to defraud consumers) and the different risks these can present to consumers, when deciding whether to intervene.

Whilst that is the case, I don't find the transactions made by Miss C were so unusual, or bore such a clear and significant scam risk, as to say Revolut ought to have intervened in any of the payments.

The transactions were of fairly low value, with only one being in excess of £1,000. And so I wouldn't expect Revolut to have recognised them as inherently risky. Even when the values of all payments are added together, and taking account of the fact they were made across three days, the total sum isn't a value I find Revolut ought to have identified as a scam risk. That's not to say the sum lost is insignificant and I don't doubt Miss C has suffered financially – as well as mentally and emotionally – as a result. But I can't say Revolut acted unfairly or unreasonably in executing Miss C's payment instructions as it did.

In making that finding I've also considered that Miss C's Revolut account was newly opened, meaning there was no historical transaction data that Revolut might have used to otherwise identify a suspicious payment. All initial payments made from the account went to Miss C's crypto wallet, appearing to identify that as the common payment type and the intended purpose for the account.

I've also considered whether Revolut might have done more to recover the money, but I don't believe it could. It is true that Miss C's payments went to a legitimate merchant, as per her instructions. And the crypto wallet was in her name, with the funds having then been transferred on. That means any attempt to recover the funds, by any means, including chargeback, would have failed. That's because her payment instructions had been properly executed, with the goods and services requested having been provided, and the funds then moved on.

I'm sorry for Miss C's loss here. But I can't say it's for Revolut to reimburse or otherwise compensate her.

My final decision

I don't uphold this complaint against Revolut Ltd.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss C to accept or reject my decision before 20 September 2024.

Ben Murray
Ombudsman