

## The complaint

Mr I is unhappy Revolut won't refund the money he lost to a fake job scam.

## What happened

Mr I was contacted over a popular instant messaging application by someone claiming to represent a recruitment firm. This person claimed to have jobs available with part-time roles paying around £5,000 a month.

After Mr I expressed an interest in the role, he was contacted by a second person. This person explained that the role would involve trying to boost the rating and ranking of applications on various app stores. Mr I was provided with a link to a platform that he would need to use to complete this work and, over the following few days, Mr I was told how to use the platform and complete assigned 'tasks' to earn commission.

The tasks Mr I had to complete were displayed on the platform which also detailed his daily earnings and his overall balance. Mr I would sometimes be granted 'combination tasks', which required a group of tasks to be completed before any monetary withdrawals could take place. Each combination task had a value and each time a combination task was assigned, the value of the task would be deducted from Mr I's balance. That would leave Mr I with a negative balance that, it was claimed, would need to be made positive before any withdrawals could be made (both of earned commission and the money that Mr I had paid to the platform). Mr I was told all of the money he paid to the platform was refundable. But, before he could remove his negative balance and withdraw his money, he'd be given another combination task of a greater value – meaning he'd have to make another payment before accessing his money. Mr I was told that if he didn't resolve the negative balance on his account, he'd lose all of his money. Generally, the scam tends to go on for as long as the fraudsters are able to persuade the victim, in this case Mr I, to keep making payments to clear the negative balance.

In this particular case, in order to top-up his account, Mr I was instructed to convert his money into cryptocurrency and USDT. Mr I principally used a cryptocurrency exchange, which I will refer to as B, in order to do this. He also sent money to individuals who were selling cryptocurrency on B's peer-to-peer exchange platform via Mastercard MoneySend.

Once the cryptocurrency had credited his account at B, Mr I then sent it to cryptocurrency wallet addresses provided by the fraudsters.

I've set out the payments Mr I made to the scam in the table below:

Date	Amount	Type of transaction	Payee
22/06/2023	£200	Peer 2 peer via B	Third party although appears as a transfer to Mr I's own account

22/06/2023	£1,185	Peer 2 peer via Mastercard MoneySend	To third-party
27/06/2023	£1,000	Peer 2 peer via Mastercard MoneySend	Third party although appears as a transfer to Mr I's own account
27/06/2023	£2,600	Peer 2 peer via Mastercard MoneySend	Third party although appears as a transfer to Mr I's own account
27/06/2023	£1,955	Peer 2 peer via Mastercard MoneySend	Third party although appears as a transfer to Mr I's own account

It's important to note that payments 1, 3, 4 and 5 appear on Mr I's account statements as if they are going to an account in Mr I's own name when, in fact, they are being sent to third party accounts using B's peer to peer exchange platform - as I've set out above.

After Mr I made all of the above payments, the scammer continued to ask for more. At this point, Mr I became suspicious, and he contacted Revolut to say he'd been the victim of a scam.

Revolut said it wouldn't refund the money Mr I had lost. In summary, it said:

- Mr I had become involved in a get rich quick scheme which was not a legitimate method of employment. It pointed out that genuine employers wouldn't approach prospective employees out of the blue via a messaging app. And if this was genuine employment, Mr I would've received payments from his employer, rather than the other way round. It also said that the prospect on offer here was too good to be true as Mr I was told he could earn over £5,000 a month for part time work which he could complete alongside an existing full-time role.
- The transfers made as part of the scam were not of high value and did not follow any known or obvious patterns of fraud. Revolut had therefore not considered them suspicious at the time.
- Recovery also wasn't possible for the payments 1, 3, 4, and 5, as these payments were made via Mastercard MoneySend and had been used to purchase genuine cryptocurrency. Revolut had attempted to recover payment 2 by reaching out to the beneficiary bank but it had been informed that none of Mr I's funds remained in the account by the time the scam was reported.

Unhappy with Revolut's final response, Mr I referred the matter to our service via a professional representative.

One of our Investigators looked into the complaint but didn't think it should be upheld. They said there wasn't anything about the transaction made as part of the scam that meant Revolut should've intervened and prevented them from leaving Mr I's account. The Investigator agreed that Revolut had also done enough to try and recover Mr I's funds when he reported the scam, but this hadn't been possible.

Mr I didn't agree with the investigators opinion so the complaint has been passed to me to decide.

## **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.

In deciding what's fair and reasonable, 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 to be good industry practice at the time.

I'm really very sorry to hear about what's happened to Mr I. I have significant sympathy for the situation he has found himself in. I know he was hoping to use this money to buy a larger property. But having thought very carefully about what he's told us happened at the time of the scam and Revolut's actions, I don't think it would be fair and reasonable for me to hold Revolut liable for his loss now. I'll explain why in more detail below:

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 service 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 that in June 2023 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;
- 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;
- have been mindful of – among other things – common scam scenarios, how 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.

So, I've first thought about whether the activity on Mr I's account during the scam could be considered out of character and unusual when compared to his usual account activity. In doing so, I've reviewed Mr I's account statements for the months leading up to the scam. Having done so, I'm not satisfied any of the payments made here were remarkable enough to have stood out to Revolut and prompted further discussion. I understand some of the payments did trigger a pop-up scam warning at the time and overall, I'm satisfied that was proportionate to the scam risk Revolut could've identified at the time.

The first payment of £200 is for a modest amount and is in-line with Mr I's usual spending on the account. In fact, Mr I has made numerous payments that are higher than this payment in the months leading up to the scam. And so, I don't think this payment should've been considered unusual by Revolut at the time.

The second payment for £1,185, is for a higher amount and I acknowledge it is being paid to a new payee. However, it is still for a relatively modest amount, and I don't consider it inherently suspicious when taking into account when Mr I's account history and that customers often process transactions up to this amount on a daily basis. Again, Mr I has processed transactions that are higher than this one in the months leading up to the scam. I also have to bear in mind that Revolut did ask Mr I what the payment was for and displayed a pop-up warning in relation to this payment. And I'm satisfied that this pop-up warning was proportionate to the risk associated with it. And so, overall, I'm not persuaded that this payment should've prompted further intervention by Revolut before it was allowed to leave Mr I's account. The same can be said for the first two transfers that are made on 27 June 2023. However, I think the third is more finely balanced.

I've thought carefully about this final payment. I acknowledge it is being made on the same day as the previous two and in quick succession, which could be an indicator that Mr I was falling victim to a scam. But I also can't ignore that the payment amount was apparently decreasing, which would be unusual for this type of scam and the payment appeared as if it was being made to an account in Mr I's own name – which would've likely provided Revolut with some reassurance. And crucially, Mr I does have a history of making multiple payments in the low thousands on the same day. He did so just the month before. And so, taking everything into account, I don't think it would be fair to say that Revolut should've identified the final payment made here as suspicious enough to have warranted further intervention, over and above the warning presented, before it was processed at Mr I's request. It therefore follows that I'm not persuaded that Revolut should bear responsibility for this loss now.

I understand that Mr I is unhappy that it was possible for the fraudster to make it appear as if the later payments were going to an account in his own name when they were actually going to third-party accounts. However, I don't think it would be fair for me to hold Revolut responsible for this. It wouldn't have been possible for Revolut to identify that these payments were going to an account held by a third party as the payments were being sent via Mastercard MoneySend. This means the payments were being sent directly to a card number and not a sort-code and account number, which would've allowed Revolut to identify the holder of the account. And so, at the time of making these payments, it wasn't possible for Revolut to identify who's account they were going to, and I don't think it was unreasonable for Revolut to rely on the fact that Mr I had indicated that the payments were going to one of his own accounts. Mr I had provided this information himself – albeit I appreciate he did this at the request of the scammer.

### *Recovery of funds*

I've then gone on to think about whether Revolut could've done more to help Mr I once it was notified of the scam, but I don't think it could.

Revolut said it attempted to recover the first payment, but no funds remained in the beneficiary account at the time the scam was reported.

Furthermore, the payments in question were all made to individuals who were genuinely selling cryptocurrency on B's 'peer-to-peer' exchange platform via Mastercard MoneySend. They weren't made directly to the scammer, and Mr I received the cryptocurrency he paid for. So, it wouldn't be possible to recover these payments either – Mr I received the service he paid for. So, I don't think these payments were recoverable through Revolut once they had been made. It follows that I'm not persuaded Revolut unreasonably hindered recovery of the funds now lost.

Finally, I want to reiterate how sorry I am that Mr I was scammed and lost this money. He has my sympathy. However, I can't fairly tell Revolut to reimburse him in circumstances where I'm not persuaded it reasonably ought to have prevented the payments or to have recovered them. The fault here lies with the cruel and callous acts of the fraudsters themselves.

### **My final decision**

My final decision is that I do not uphold this complaint about Revolut Ltd.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr I to accept or reject my decision before 7 January 2025.

Emly Hanley Hayes  
**Ombudsman**