

## The complaint

Mrs V complains Revolut Ltd didn't do enough to protect her when she fell victim to a job scam and won't refund the £2,704 she lost as a result.

## What happened

Mrs V fell victim to a task-based employment scam ('job scam') in June 2023. Mrs V has explained that she was looking for job opportunities and had uploaded her CV to a recruitment website. She recalls receiving a WhatsApp message from someone purporting to be from legitimate recruitment agency who offered to put Mrs V in touch with another individual from a legitimate travel agency who could offer her work. Unbeknownst to Mrs V, these individuals were in fact scammers who had cloned legitimate companies.

Mrs V said one of the scammers advised her she would need to complete three sets of 35 online tasks each day and would be paid £400 plus commission. She was asked to join a chat group with other individuals carrying out the same type of work.

Mrs V said the scammer directed her to set up an account with a legitimate crypto exchange platform ('B') and guided her how to purchase crypto, which she did using her Revolut debit card. The crypto was then loaded on to her work account. Mrs V said she was initially able to successfully complete the tasks, but on the second day she received a "Luxury Package", which required her to make further top ups via her account with B.

Between 22 and 25 June 2023, Mrs V made seven payments to B totalling £2,704:

| Date and time      | Payment type      | Amount        |
|--------------------|-------------------|---------------|
| 22 June 2023 20:16 | Card payment to B | £50           |
| 24 June 2023 09:46 | Card payment to B | £54           |
| 24 June 2023 10:33 | Card payment to B | £90           |
| 24 June 2023 11:00 | Card payment to B | £100          |
| 25 June 2023 13:27 | Card payment to B | £370          |
| 25 June 2023 13:59 | Card payment to B | £610          |
| 25 June 2023 14:16 | Card payment to B | £1,430        |
|                    | <b>Total loss</b> | <b>£2,704</b> |

Mrs V said she realised she'd been scammed when she attempted to make a further payment via another credit card held with another bank, which was blocked. She reported the matter to Revolut and asked for help recovering the funds. Revolut advised her to raise a chargeback claim, although this was ultimately unsuccessful as the payments were authorised by Mrs V.

Unhappy with Revolut's response, Mrs V referred her complaint to the Financial Ombudsman. She suggested she hadn't authorised the payments from her account and said that she had downloaded screensharing software which was used by the scammers.

Our Investigator didn't uphold the complaint. While he accepted that Mrs V had been the victim of a scam, he was satisfied that Mrs V had authorised the payments herself. Given

what Revolut knew about the payments, our Investigator didn't think it ought to have been unduly concerned about the risk of fraud, and so it wasn't necessary to carry any further checks before processing the payments. He was also satisfied that a chargeback would be unsuccessful as Mrs V was provided with the crypto she purchased.

Mrs V disagreed and asked for an Ombudsman's final decision. She said Revolut ought to have done more to protect her. She said Revolut ought to have been concerned when payments started being taken from her account as it had previously been dormant. She also considered Revolut ought to have identified that remote access software was being used and that the payments were going to B, which is not regulated in the UK. She thought Revolut should have blocked her payments as her other bank had.

Our Investigator remained of the view that there was no reason for Revolut to intervene, given what it knew about the payments at the time.

As there has been no agreement, the case 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.

Having done so, I've reached the same conclusion as our Investigator and for largely the same reasons.

I'm sorry to learn Mrs V has been the victim of a sophisticated scam, which caused her to lose money. I can appreciate why she wants to do all she can to recover the money she has lost. But I can only direct Revolut to refund her losses if it can fairly and reasonably be held responsible for them.

#### *Should Revolut be held liable for Mrs V's loss?*

In line with the Payment Services Regulations 2017 (PSRs), the starting position is that Mrs V is liable for payments she authorises – and Revolut generally would be liable for unauthorised payments taken from her account.

While I appreciate Mrs V has suggested she did not authorise the payments herself, I think the evidence indicates that she did. Mrs V has provided screenshots of her conversations with the scammers. While it is clear Mrs V was given step-by-step instructions on how to make the payments to B, it is evident that it was Mrs V who made the payments. This is demonstrated by Mrs V sharing screenshots to confirm when she had successfully completed the transactions.

So, although she didn't intend the money to go to the scammers, and was clearly under their instruction when making the payments, under the PSRs Mrs V is presumed liable for her loss in the first instance.

#### *Did Revolut need to intervene before it processed the payments?*

In broad terms, the starting position in 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 PSRs 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 June 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;
- 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.

But nevertheless, there is a balance to be struck between identifying payments that could potentially be fraudulent and minimising disruption to legitimate payments.

So, the starting point for me is to consider whether any of Mrs V's payment instructions (either individually or collectively) were particularly unusual or suspicious to have required intervention from Revolut.

I understand that a bank stopped a card payment to B, as it had made the commercial decision to restrict payments from its accounts to B. I can understand why Mrs V would think that Revolut should also have stopped the payment. But there was no requirement for Revolut to do so. Ultimately, B is a legitimate crypto exchange, and while some banks have chosen to restrict payments to it, not all have and there is no requirement for them to do so.

I understand that at the time the first payment was made Mrs V's account had been dormant since December 2022, when the account was first opened. As such, Revolut did not know her typical spending patterns. But that doesn't mean it wasn't able to recognise suspicious activity – only that the information it had on which to make that assessment was limited.

I've thought about what Revolut did know about Mrs V when she came to make the first payment. That information was limited. It knew her personal details, that the account had been dormant for several months and that she was paying £50 to a cryptocurrency provider.

While Mrs V has suggested that Revolut ought to have been concerned that she made payments from a dormant account, I don't agree. I don't think it would be wholly unusual for an account to start being used after a period of dormancy. While I accept it could be a factor that could indicate the account was at risk, I don't think it was enough, on its own, to suggest that Mrs V was at risk of financial harm from fraud. The value of the initial payment (£50) was not at a level that I would have expected Revolut to have considered unusual or high risk. And while the payment went to a crypto exchange, again I don't think this ought to have given Revolut cause for concern. I'm mindful that customers of Revolut can purchase and trade crypto through its application. So, I don't think it would appear unusual for a customer to use their account to purchase crypto. So, I don't think Revolut ought to have intervened in Mrs V's initial payment.

Similarly, the other payments Mrs V made, while gradually increasing in value were not so high as to be a clear indicator of fraud. I also don't think there was a clear pattern emerging that Revolut ought to have been concerned about.

Overall, I can't see that there was sufficiently concerning information about any of Mrs V's payments that Revolut ought to have intervened or provided a specific warning before processing the payment instructions. So, while I know this will be disappointing for Mrs V, I don't find that Revolut are responsible for her loss. It follows that I will not be asking it to take any further action.

### **My final decision**

For the reasons given above, my final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs V to accept or reject my decision before 17 July 2024.

Lisa De Noronha  
**Ombudsman**