

The complaint

Mrs J complains that Revolut Ltd won't refund money she lost when she fell victim to an employment scam.

Mrs J is being represented by solicitors in this complaint.

What happened

In June and July 2023, Mrs J made nine transactions totalling just over £5,700 in connection with a job opportunity with a company "S", who she came across on a popular social media platform.

Mrs J understood that the job involved completing 'tasks' assigned to her on S's platform which were in relation to product reviews. She was told she could earn wages through commission and a basic salary. It was explained to her that she needed to make deposits in cryptocurrency into her account with S as and when required to complete some of the tasks. To do this, Mrs J made payments to third party individuals selling cryptocurrency (peer to peer purchase).

When she couldn't withdraw her wages and kept being asked to deposit more money to clear the negative balance on her account with the platform, Mrs J realised that she'd fallen victim to a scam.

The following disputed transactions were made from Mrs J's Revolut account –

	Date	Type	Recipient	Amount (excluding fees)
Payment 1	25 June	Transfer	Unknown third party 1 (peer-to-peer purchase of cryptocurrency)	£29
Payment 2	25 June	Transfer	Unknown third party 1 (peer-to-peer purchase of cryptocurrency)	£44
Payment 3	25 June	Transfer	Unknown third party 2 (peer-to-peer purchase of cryptocurrency)	£100.70
Payment 4	25 June	Transfer	Unknown third party 2 (peer-to-peer purchase of cryptocurrency)	£195.36
Payment 5	25 June	Transfer	Unknown third party 2 (peer-to-peer purchase of cryptocurrency)	£464.23
Payment 6	25 June	Transfer	Unknown third party 3 (peer-to-peer purchase of cryptocurrency)	£1,300.04
Payment 7	30 June	Transfer	Unknown third party 4 (peer-to-peer purchase of cryptocurrency)	£1,721.91

			of cryptocurrency)	
Payment 8	30 June	Transfer	Unknown third party 5 (peer-to-peer purchase of cryptocurrency)	£358.49
Payment 9	10 July	Transfer	Unknown third party 6 (peer-to-peer purchase of cryptocurrency)	£1,491.37
			Total payments	£5,705.16

Our investigator didn't uphold Mrs J's complaint and said they didn't think Revolut should have reasonably been expected to prevent her loss. The investigator said the payments didn't flag as suspicious and so there was no intervention on Revolut's part to stop them.

Mrs R didn't agree and asked for an ombudsman's decision on the matter. In summary, her representative believes that multiple payments to the same beneficiaries in the same day would be a cause for concern for Revolut and they should have contacted Mrs J by the time she made Payment 6.

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 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. It's not in dispute that Mrs J authorised the payments in question.

But, taking into account relevant law, regulators rules and guidance, relevant codes of practice and what I consider to be 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 (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.

I've reviewed the available information, and, like the investigator, I don't consider the transactions were *that* unusual or suspicious such that they ought to have triggered on Revolut's fraud detection system. I acknowledge that there were several transactions in one day. But that in and of itself doesn't mean the transactions ought to have flagged as suspicious to Revolut. And, as they were peer to peer purchases from individuals, Revolut couldn't reasonably have known that they were cryptocurrency related.

I note that Revolut did in fact take additional steps, beyond the provision of a new payee warning, when Mrs J authorised Payments 5-7 and 9. After telling her that the identified payment might be a scam, Revolut asked Mrs J to confirm the payment purpose from a list of reasons. It then provided a scam warning based on the reason selected and gave Mrs J the option to cancel or go ahead with the payment. Revolut also gave Mrs J the option to read its scam guidance or get advice from an agent. According to Revolut's records, Mrs J chose 'something else' on each occasion and confirmed she wanted to go ahead with the payments.

In the circumstances of what happened here, given what it knew or ought to have known about the destination of the payments, I consider Revolut responded proportionately on each of those occasions. In other words, I'm not persuaded that Revolut acted unfairly or unreasonably in executing Mrs J's authorised instructions.

Thinking next about the recovery of payments, given Mrs J legitimately bought cryptocurrency from individual sellers (who were unlikely to have been involved in the scam) before sending it on to the scammer, it's unlikely recovery would have been successful. This is because services were rendered by the recipients of Mrs J's payments. I don't think Revolut could or should have taken further steps to recover funds from cryptocurrency sellers.

In summary, I recognise that Mrs J will be disappointed with this outcome. I'm sorry that she fell victim to such a cruel scam, and this has had a huge impact on her circumstances. But I have to consider whether Revolut could have prevented the scam from happening. Having given this a lot of thought, as set out above, it wouldn't be fair of me to hold Revolut liable for her losses.

My final decision

For the reasons given, my final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs J to accept or reject my decision before 2 January 2025.

Gagandeep Singh
Ombudsman