

The complaint

Mrs B complains that Revolut Ltd ('Revolut') won't refund the money she lost after falling victim to a scam.

What happened

In 2023, Mrs B was looking for work online that allowed remote working and flexible hours. Mrs B was contacted via a messaging app from someone offering work. They said they worked for a company, who I'll refer to as M.

Mrs B believed that only a genuine company would have her contact information. The contact said that the job would provide training and it had an immediate start date. The work would involve Mrs B leaving reviews on hotels and she would need to complete 33 tasks per day.

Mrs B was interested and was told she needed to open an account with Revolut and on M's platform. M also offered Mrs B the option of investing in cryptocurrency on their platform, which they said would earn her profit in addition to her daily income from completing the tasks.

Mrs B initially made some small payments, then on 16 June she received a "golden egg". She was told this would provide additional reward incentives, but it put her account into a negative balance.

After a few days Mrs B's account on M's platform was showing as negative £12,000. Mrs B couldn't afford to make any further payments and the scammer stopped answering her messages. Mrs B realised she'd been the victim of a scam.

These are the payments Mrs B made from her Revolut account.

Date	Details of transactions	Amount
14.6.2023	Card payment to P – a cryptocurrency exchange	£178
14.6.2023	Card payment to P – a cryptocurrency exchange	£109
14.6.2023	Card payment to M – a cryptocurrency exchange	£139
16.6.2023	Card payment to M – a cryptocurrency exchange	£1,201
16.6.2023	Card payment to M – a cryptocurrency exchange	£1,281
17.6.2023	Card payment to M – a cryptocurrency exchange	£2,891

Mrs B reported the scam to Revolut, through a professional representative, asking that Revolut refund her.

Revolut considered Mrs B's fraud claim but declined to refund her. Revolut said a chargeback couldn't be raised as Mrs B had authorised the transactions.

Mrs B wasn't happy with Revolut's response, so she brought a complaint to our service.

An investigator looked into her complaint but didn't uphold it. The investigator said the transactions wouldn't have appeared unusual or suspicious to Revolut as there was no previous account activity to compare them to, and there was nothing concerning about the merchants Mrs B paid.

Mrs B disagreed with the investigator's opinion and raised the following points:

- A newly opened account presents a greater risk of misuse than an established account.
- Revolut are required under the PSR's to minimise the risk of loss through fraud, misuse or poor administration.
- Action Fraud and the FCA have reported on the prevalence of scams involving the use of legitimate crypto-asset providers for a number of years.
- Comparing historical transactions isn't the only way a fraud detection system monitors an account. Revolut should detect activity that mirrors the hallmarks of a potential scam.

Mrs B asked for an ombudsman to review her case.

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 in law is that Revolut are expected to process payments that a customer authorises it to make, in accordance with the terms and conditions of the customer's account and the Payment Services Regulations 2017 (PSR's). And, generally, Revolut can hold Mrs B liable for the disputed transactions if the evidence suggests it's more likely than not that she made or authorised the transactions herself.

I'm satisfied that Mrs B authorised these payments, as each payment was authenticated through the Revolut app, although I appreciate that Mrs B did this not realising she was the victim of a scam.

As I'm satisfied that Mrs B authorised the payments, the starting position is that Revolut aren't liable for the transactions. But, Revolut also has a duty to exercise reasonable skill and care, pay due regard to the interest of its customers and to follow good industry practice to keep customer's accounts safe. This includes identifying vulnerable consumers who may be particularly susceptible to scams and looking out for payments which might indicate the consumer is at risk of financial harm.

I'm really sorry to disappoint Mrs B, as I realise that the loss of this money has had a significant impact on her and her family. But, having carefully considered all of the evidence, I've reached the same outcome as the investigator. I'll explain why.

I'm not satisfied based on the specifics of these payments, that I can fairly say Revolut should've identified them as suspicious. I say this taking into account the size of the payments and the payment frequency - no more than three payments on one day. Also, I'm not satisfied that Revolut should've been concerned based on the merchants Mrs B was paying.

As this was a new account, Revolut didn't have previous account activity to compare these transactions to. So, these payments set what "normal" activity on Mrs B's account would look like.

I appreciate the points Mrs B has raised, as to why she thinks the payment should've been identified as suspicious by Revolut, including the increased prevalence of scams involving cryptocurrency payments.

But, EMI's or banks have to strike a balance between identifying payments that could be fraudulent and then responding appropriately based on their concerns - and ensuring minimal disruption to legitimate payments. And, in this case, I'm satisfied that Revolut acted reasonably by following Mrs B's payment instruction without intervening.

Chargeback

Chargeback doesn't look at the end destination of the funds, only whether the merchant provided the service paid for. So, in this case, did Mrs B's funds get used to purchase cryptocurrency or credited to a wallet held with the merchant. I'm not satisfied in this case that chargeback is likely to have been successful, so Revolut acted reasonably in declining Mrs B's chargeback.

I'm sorry that Mrs B has fallen victim to such a cruel scam, but I'm not satisfied that I can fairly hold Revolut liable for her loss or ask them to refund her.

My final decision

My final decision is that I don't uphold this complaint against Revolut Ltd.

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

Lisa Lowe
Ombudsman