

The complaint

Mrs F complains that Revolut Ltd did not refund a series of payments she lost as part of a scam.

What happened

Mrs F was looking for some part time work while recovering from an illness. She located a task-based job where she had to complete five tasks and would earn commission. She had previously completed task-based jobs for a separate company and had successfully withdrawn her commission, so she had no reason to doubt the legitimacy of the job.

She made a series of small payments to a number of different cryptocurrency exchanges. The payments were as follows:

- 10/7/23 - £33.90
- 10/7/23 - £29.50
- 11/7/23 - £47.04
- 11/7/23 - £82.54
- 11/7/23 - £201.88
- 12/7/23 - £16.22
- 12/7/23 - £188.28
- 14/7/23 - £55.81
- 14/7/23 - £75.00
- 14/7/23 - £231.11
- 14/7/23 - £527.62

Mrs F completed the tasks as she was instructed, but was then told that there were additional tasks that had to be completed. She was then told these additional tasks were time sensitive and she became suspicious. Soon after, she realised she had been the victim of a scam and attempted a chargeback for the final four payments she had made.

Revolut explained that they were unable to carry out a chargeback claim, as Mrs F had purchased cryptocurrency which had been provided by the merchant. So, the goods and services had been provided and there was no basis for a chargeback. And they felt they had correctly flagged some payments as suspicious which led to both of Mrs F's cards being blocked. But Mrs F then went on to unblock the cards and make new payments to the merchants.

Mrs F referred her complaint to our service via a representative. Our Investigator looked into the complaint and felt that, on balance, the payments were not so unusual that Revolut should reasonably have flagged them for further checks. So, they didn't think Revolut missed an opportunity to reveal the scam.

Mrs F's representative disagreed as they felt that the final two payments at least should have flagged as unusual.

As an informal agreement could not be reached, the complaint 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 think Revolut has acted reasonably in the circumstances and I don't direct them to refund the transactions in question. I'll explain why in more detail.

It's clear that Mrs F has been the victim of a scam, and that the scammer's intention was to take her money. It should be noted that these transactions do not fall under the Contingent Reimbursement Model code, which provides additional protection to victims of these kind of scams. This is because as Revolut has not signed up to this voluntary code. However, Revolut still has a basic duty of care to its customers to protect them from financial harm.

Broadly speaking, the starting position in law is that an account provider is expected to process payments and withdrawals that a customer authorises it to make, in accordance with the terms and conditions of the account. And a customer will then be responsible for the transactions that they have authorised.

It's not in dispute here that Mrs F authorised the payments in question as she believed they were part of a legitimate investment. So, while I recognise that Mrs F didn't intend the money to go to scammers, the starting position in law is that Revolut was obliged to follow her instruction and process the payments. Because of this, Mrs F is not automatically entitled to a refund.

The regulatory landscape, along with good industry practice, also sets out a requirement for account providers to protect their customers from fraud and financial harm. And this includes monitoring accounts to look out for activity that might suggest a customer was at risk of financial harm, intervening in unusual or out of character transactions and trying to prevent customers falling victims to scams. So, I've also thought about whether Revolut did enough to try to keep Mrs F's account safe.

The Revolut account was opened with the intention to make payments for the job tasks, so there was no genuine account activity for Revolut to compare the scam payments to. Because of this, it is more difficult for them to identify transactions that are out of character or unusual. In addition, some of the reasons selected for the account opening were 'transfers' and 'crypto'.

The value of each individual payment was not high, and while there was more than one payment on each day, I don't think the value of the payments alongside the frequency was enough for me to agree Revolut should have stepped in. In addition, the types of payments made aligned with the reasons given for the account opening, so I can't agree they were unusual enough to warrant intervention.

I agree with Revolut's response to the chargeback claim. It should be noted that the chargeback scheme is a voluntary one and there is no guarantee of success. As the merchant provided the service Mrs F paid for, there would be no grounds for a chargeback claim to be raised.

Having carefully considered everything available to me, I don't think Revolut needed to step in and carry out checks prior to processing the payments in question. So, I don't think they missed an opportunity to reveal the scam and I don't direct them to refund Mrs F.

My final decision

I do not uphold Mrs F's complaint against Revolut Ltd.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs F to accept or reject my decision before 8 March 2024.

Rebecca Norris
Ombudsman