

The complaint

Mr M complains that Revolut Ltd did not refund a series of transactions he lost as part of a scam.

What happened

Mr M was contacted via a messaging platform about a job opportunity in which he had to carry out a set amount of tasks to earn commission. He was told he could earn up to £10,000 per month in commission, as some 'special' tasks would earn significantly higher levels of commission. However, he would have to fund these special tasks via cryptocurrency and he made the following deposits into his cryptocurrency wallet from his Revolut account.

Date	Type of Payment	Amount (£)
13/07/2023	Card payment	3,500
13/07/2023	Card payment	4,981.79
13/07/2023	Card payment	500
13/07/2023	Card payment	2,500
13/07/2023	Card payment	3,000
13/07/2023	Card payment	5,000
13/07/2023	Card payment	1,494.11
13/07/2023	Card payment	700
14/07/2023	Card payment	5,000
14/07/2023	Card payment	1,000
14/07/2023	Card payment	4,000
14/07/2023	Card payment	4,000
14/07/2023	Card payment	500
14/07/2023	Card payment	1,500
15/07/2023	Card payment	500
15/07/2023	Card payment	1,001.22
15/07/2023	Bank transfer	6,000
15/07/2023	Bank transfer	6,000
15/07/2023	Bank transfer	4,200
15/07/2023	Bank transfer	4,500
	Total	65,877.12

Despite making a number of deposits, Mr M was asked to make a final payment of \$130,000 before he could withdraw his commission earned up to that point. It was at that point that he realised it was not a legitimate job and he had been the victim of a scam. Mr M contacted Revolut to raise a scam claim. They explained they could not recover the card payments via the chargeback scheme, as the exchanges he used had transferred money into his crypto wallet as he requested, so there was no dispute between himself and the companies. And they did not agree they needed to reimburse Mr M in the circumstances.

Mr M referred the complaint to our service and our Investigator looked into it. They said that a payment Mr M attempted on 13 July was picked up for additional checks by Revolut as it

had flagged as suspicious. During this chat Revolut asked more questions about the payment and Mr M explained he was investing in cryptocurrency and he was doing so of his own volition, and he was happy his funds were safe. He then said that he had missed the window to complete the transaction, so asked for it to be cancelled, which Revolut did for him.

Our Investigator said that Revolut had referred the payment as they would have expected, and they asked Mr M what the payment was for. As Mr M did not indicate it was for a job opportunity and instead said it was an investment, they did not think Revolut could have done more in the circumstances to reveal the scam at the time. So, they didn't think Revolut had missed an opportunity to stop the payments.

Mr M's representative did not think the questions asked by Revolut about the payment were open or probing enough, so they did not think Revolut had done enough to protect Mr M's account. 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.

I'm satisfied that Mr M has been the victim of a task-based job scam and I'm sorry he's gone through this experience. I have to determine if Revolut should have done more to protect Mr M's account from financial harm and if this in turn could have revealed the scam.

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).

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 July 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.

I can see that, following the initial payment of £3,500, Mr M attempted a payment shortly

afterwards for £2,000 that had a £46 fee, making it a total of £2,046. While Mr M had previously made exchanges to crypto currency from his Revolut account, this was the second payment in a short period of time, following a significant deposit into Mr M's Revolut account. So, the payment was flagged by Revolut for additional checks, and I think this was a proportionate response to the risk level involved.

During the chat, Revolut asked some questions to determine if Mr M was the victim of a 'safe account' scam and asked him if he had been asked to move his money to a new account to keep it safe. Mr M responded to say the payment was for trading in cryptocurrency and he was happy the transfer was safe. In response, Revolut asked for more information about the investment and if anyone was pressuring him to act quickly, whether he was promised significant or guaranteed returns, and if he knew what he was investing in. Mr M explained he was in charge of the timescales, and no-one was pressuring him, he hadn't been guaranteed high profits or returns and he was fully up to speed with the investment and had been involved in it successfully for the previous week.

It isn't clear why Mr M referred only to crypto trading and not specifically that the payment was related to his job at the time. But I do think Revolut gave him the space to be able to say the payment was related to his job, and I don't think that based on what Mr M said about the payment that Revolut should reasonably have picked up that he may be the victim of a job scam. I think it is reasonable that based on the answers Mr M gave, Revolut allowed the payment to go through and be processed as he gave no indication that he may be the victim of a scam at that time. Because of this, I also think it is reasonable that Revolut processed the later payments to cryptocurrency exchanges without further checks, as Mr M had already set out that he was investing in cryptocurrency, so the purposes of the payments were not concerning.

I note that following the initial bank transfer on 15 July, Mr M was asked what the purpose of the payment was. From the drop-down menu, which also included 'cryptocurrency', Mr M selected 'goods and services'. As he was purchasing cryptocurrency from an individual, I can also understand why he selected 'goods and services' as the purpose of the payment. I think that because Revolut had no indication he was purchasing cryptocurrency or that he was making purchases in relation to his job, I don't think they needed to take further action at that point such as a manual intervention. So, I don't think Revolut made an error or that they missed an opportunity to reveal the scam.

As the funds were used to deposit money into a digital wallet in Mr M's name which was then passed onto the scammers, or to purchase genuine cryptocurrency from individuals, Revolut was unable to recover the funds from the beneficiaries once they were aware of the scam. This is because they had no rights to recover funds that had been used for genuine goods and services, even though the funds were ultimately lost as part of the scam following this. So, I don't think Revolut could have done more to recover the funds once they were aware of the scam.

My final decision

I do not uphold Mr M's complaint against Revolut Ltd.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 11 October 2024.

Rebecca Norris

Ombudsman