

## The complaint

Mr P complains that Revolut Lt did not refund a series of transactions he lost to a scam.

## What happened

Mr P was approached by a recruiter and offered a remote, flexible job he could do in his spare time. He checked the website and it appeared to be professional, so he signed up. He had to complete a set amount tasks per day, and he would receive commission, which would be paid in cryptocurrency. Premium tasks cost money to complete and earned extra commission, so Mr P deposited his own money to complete more tasks.

He made over £22,000 of card payments from his Revolut account to a crypto wallet in his name, before sending the funds to the work platform. One day he logged into his work account and his balance was zero. When he asked about this, he was asked to deposit more money. It was at that point he realised he had been the victim of a scam. Mr P made the following payments from his Revolut account:

Date	Amount (£)
19/05/2023	3,000
19/05/2023	2,509.14
19/05/2023	75.28
19/05/2023	4,035
20/05/2023	2,900
20/05/2023	120
20/05/2023	4,000
20/05/2023	4,000
20/05/2023	1,405
21/05/2023	3,100
25/05/2023	100
25/05/2023	200
25/05/2023	100
28/05/2023	10

Mr P raised a scam claim with Revolut, who explained they did not have any grounds to raise a chargeback claim to recover his funds, and they felt they had acted fairly when they processed the payments he authorised. So, they did not agree to reimburse him.

Mr P referred his complaint to our service and our Investigator looked into it. They felt there should have been an intervention at some stage in the payment journey, as the overall pattern of the payments was unusual. But they did not think any intervention from Revolut would have made a difference, as Mr P was under the spell of the scammer and followed their instruction when making the payments and applying for credit connected to the scam. So, they did not think an intervention would have prevented Mr P from making the payments.

Mr P disagreed with the outcome and, in summary, highlighted that he believed the job opportunity was legitimate and the individual he was dealing with was genuine. And he felt Revolut's warnings could have been more persuasive.

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 Mr P has been the victim of a job scam, and I'm sorry he's had to go through this experience. This complaint is against Revolut, and not the scammer, so I can only consider their actions in this decision.

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 May 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.

In this case, I need to decide whether Revolut acted fairly and reasonably in its dealings with Mr P when he authorised payments from his account or whether it could and should have done more before processing them.

I think the initial payment of £3,000 was of a reasonably high value and was going to cryptocurrency, which I think Revolut could have been aware of. With this in mind, I think a general warning would have been reasonable in the circumstances and a proportional response to the risk level involved. But I would only have expected Revolut to provide a warning tailored to cryptocurrency scams, and not specifically a job scam which Mr P had fallen victim to. So, I think it's unlikely the kind of tailored warning I would have expected Revolut to give at that point would have been effective in the circumstances.

Mr P went on to make a number of card payments the same day towards cryptocurrency, and by the fourth payment of £4,035, he had spent a total of £9,619.42. I think the volume of payments, along with the value of the final payment and the fact they were going to

cryptocurrency means Revolut should have had concerns about the fourth payment. And I think they needed to establish the circumstances surrounding the payment before allowing it to debit the account. I therefore think they should have referred Mr P to the in-app chat for additional questions about the payment.

It isn't possible for me to know exactly what would have happened if Revolut had intervened in this payment and referred Mr P to the in-app chat. In order to determine what I think is more likely in the circumstances I've considered all of the evidence available to me. This includes Mr P's testimony and his interactions with the scammer.

The messages from the day of the payment in question show the scammer tells Mr P to say the payments were personal use if any questions were asked about them. I cannot see that Mr P questions being asked to falsify information to his account provider, so I think it's more likely he would have followed the scammer's instruction had they been flagged for further checks. I also note that Mr P was advised to take out a loan by the scammer to fund the scam, and Mr P asked him what to select the purpose of the loan as. The scammer tells him to select 'loan' which does not match the correct purpose of the loan. But again, Mr P does not query being asked to falsify information on a credit application.

With the above in mind, and with the absence of any other contradicting evidence, I think it's more likely Mr P would have followed the scammer's guidance had the fourth payment been stopped for further checks. And I think it's more likely he would have followed instructions to hide the true purpose of the payments and ensure they were processed by Revolut. So, I don't think Revolut missed an opportunity to meaningfully reveal the scam in the circumstances, and I don't recommend that Revolut reimburse Mr P.

Revolut have said they did not have any grounds to raise a chargeback claim, as Mr P had paid for a legitimate service from merchants, in the form of cryptocurrency. A chargeback is a voluntary scheme run by card issuers intended to resolve disputes between consumers and merchants. I agree that Revolut did not have grounds to raise a chargeback claim in the circumstances, as the merchants had provided the service Mr P paid for, namely purchasing cryptocurrency.

### **My final decision**

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 18 October 2024.

Rebecca Norris  
**Ombudsman**