

The complaint

Mr G complains that Revolut Ltd (Revolut) is refusing to refund him the amount he lost as the result of a scam.

Mr G is being represented by a third party. To keep things simple, I will refer to Mr G throughout my decision.

What happened

Mr G was sent a message via WhatsApp offering him a job opportunity with GKF (X) leaving reviews to increase rankings. X explained that the role was part time, Mr G would receive a basic salary of £2,800 per month plus commission.

Mr G was required to make payments to unlock tasks and would be paid when the tasks were complete. X recommended opening an account with Revolut as it was easier to process payments and there were less restrictions. Mr G was also required to open an account with OnlyChain to process payments into the scam.

Mr G received combination tasks that offered six times more commission than other tasks but also put his account into a negative balance that he was required to clear by making a payment before he could continue.

Mr G received more and more combination tasks requiring him to make larger payments before he could proceed towards making a withdrawal, until he could no longer afford to make any further payments. At this point Mr G realised he had fallen victim to a scam Mr G made the following payments into the scam:

Payment	Date	Payee	Payment Method	Amount
1	5 September 2023	Onlychain	Card Payment	£53
2	7 September 2023	Onlychain	Card Payment	£40
3	7 September 2023	Onlychain	Card Payment	£210
4	29 September 2023	Onlychain	Card Payment	£420
5	29 September 2023	Onlychain	Card Payment	£1,000
6	29 September 2023	Onlychain	Card Payment	£2,000
7	29 September 2023	Onlychain	Card Payment	£3,455
8	29 September 2023	Onlychain	Card Payment	£200

Our Investigator considered Mr G's complaint and didn't think it should be upheld. As Mr G disagreed this complaint has been passed to me to decide.

In my provisional decision sent on 25 October 2024 I said:

"It has not been disputed that Mr G has fallen victim to a cruel scam. The evidence provided by both Mr G and Revolut sets out what happened. What is in dispute is whether Revolut should refund the money Mr G lost due to the scam."

Recovering the payments Mr G made

Mr G made payments into the scam via his debit card. When payments are made by card the only option Revolut has available to recover the payments is to request a chargeback. Mr G was dealing with X, which was the business that instigated the scam. But Mr G didn't make the debit card payments to X directly, he paid a separate cryptocurrency exchange. This is important because Revolut would only have been able to process chargeback claims against the merchant he paid, not another party.

The service provided by the cryptocurrency exchange would have been to convert or facilitate conversion of Mr G's payments into cryptocurrency. Therefore, it provided the service that was requested; that being the purchase of the cryptocurrency.

The fact that the cryptocurrency was later transferred elsewhere – to the scammer – doesn't give rise to a valid chargeback claim against the merchant Mr G paid.

Should Revolut have reasonably prevented the payments Mr G made?

It has been accepted that Mr G authorised the payments that were made from his account with Revolut, albeit on X's instruction. So, the starting point here is that Mr G is responsible.

However, banks and other Payment Services Providers (PSPs) do have a duty to protect against the risk of financial loss due to fraud and/or to undertake due diligence on large transactions to guard against money laundering.

The question here is whether Revolut should have been aware of the scam and intervened when Mr G made the payments. And if it had intervened, would it have been able to prevent the scam taking place.

From the information available I can see that Revolut did decline two payments Mr G attempted to make to Onlychain and a warning was presented to Mr G that the payment presented a high-risk rating. The warning also warned Mr G that future attempts to make payments to the same merchant could be declined for the same reason.

By the time Mr G made payment six he had sent three payments to a cryptocurrency exchange in the same day totalling more than £3,000. I think that when Mr G made payment six Revolut should have realised he was at risk of financial harm, as it would have been aware of the increased risk associated with this type of payment, and I think a proportionate intervention would have been to provide Mr G with a tailored written warning tailored to cryptocurrency investment scams, this should have included a warning about job scams.

When Mr G made payment seven, he had sent over £6,000 in the same day to a cryptocurrency exchange. Again, given the increased risk associated with this type of payment and the high value I think Revolut should have intervened. A proportionate intervention would have been to provide an intervention via Revolut's chat facility where it could question Mr G around the reason for the payments.

But I don't think either of the interventions I've described above would have made a difference.

The funds Mr G paid into the scam originated from another of Mr G's accounts he held elsewhere. When Mr G made the payments from that account several calls took place. When the operator of Mr G's other account spoke to Mr G during one call he confirmed:

- *He was moving money to his Revolut account as it was the account he mainly uses. This was not the case as Mr G was moving funds to pay into the scam.*

When a second call took place Mr G confirmed:

- *He had his Revolut account for three months. This was not the case as Mr G had his account for less than one month and it was opened for the purpose of the scam*
- *He was making the payment because he had recently got involved in Bitcoin, no one had advised him to open a Revolut account and he was not involved with any third party.*

It's clear from these calls that Mr G was not giving honest answers when questioned about the payments he was making, and I don't have enough to say Mr G would have been any more honest if Revolut had intervened either.

Providing incorrect answers to questions asked by Revolut would have made it very difficult for Revolut to uncover the scam that was taking place. So, with this in mind I don't think Revolut was able to prevent the scam, and it is not responsible for Mr G's loss."

I gave Mr G and Revolut time to respond to my provisional 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.

Revolut didn't provide anything further for me to consider.

Mr G said, in summary, that had Revolut intervened as it should have it would have had information not available to Mr G's other bank and would likely have uncovered the scam.

I appreciate what Mr G has said here but this still doesn't change my decision. As I have said above Mr G was clearly willing to give false information to have the payments processed.

While Mr G may not have answered questions Revolut could have asked him in the same way he did his other bank, I think it's likely he would have continued to give false information such as that he was making payments by himself with no third-party involvement.

This would have made it difficult for Revolut to uncover the scam. For this reason and those in my provisional decision Mr G's comments don't change my decision.

My final decision

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 10 December 2024.

Terry Woodham
Ombudsman