

The complaint

Miss T complains that Revolut Ltd won't refund the money she lost when she was the victim of a scam.

What happened

In June 2023, Miss T received a text message from someone who said they worked for a recruitment agency and had details of a potential job for her. As Miss T had been looking for work, she replied and was then contacted by someone who said they worked for a data company. She was told the job involved analysing data submissions to help review apps and products, and that she would be paid commission for each set of tasks she completed.

Miss T was given log-in details to access the data company's platform, where she could see the tasks she could complete and the commission she had earned. And she was shown how to buy cryptocurrency, which she would use to pay for the tasks she was to complete. Miss T then made a number of payments from her Revolut account to purchase cryptocurrency, which she then sent on to wallet details she was given for the data company.

I've set out the payments Miss T made from her Revolut account below:

Date	Details	Amount
28 June 2023	To 1 st payee	£80
30 June 2023	To 1 st cryptocurrency exchange	£84
30 June 2023	To 2 nd payee	£160
2 July 2023	To 3 rd payee	£730
2 July 2023	To 2 nd cryptocurrency exchange	£1,420
2 July 2023	To 2 nd cryptocurrency exchange	£1,000
2 July 2023	To 2 nd cryptocurrency exchange	£1,000
2 July 2023	To 3 rd payee	£605
3 July 2023	To 4 th payee	£3,000

Unfortunately, we now know the data company was a scam. The scam was uncovered after the company asked Miss T for further payments before she could withdraw the money she was told she had earned, and Miss T realised she had been the victim of a scam.

Revolut investigated but said it had provided sufficient scam warnings before Miss T made the payments, and had done all it could to try to recover the money she lost. So it didn't agree to refund the payments she had made. Miss T wasn't satisfied with Revolut's response, so referred a complaint to our service.

One of our investigators looked at the complaint. They didn't think Revolut could reasonably have been expected to prevent the scam, so didn't think it should have to refund the payments Miss T had made. Miss T disagreed with our investigator, so the complaint has been passed to me.

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 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.

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 from June 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.

But, even if Revolut had recognised that Miss T was at heightened risk of financial harm from fraud when making some of these payments, I don't think the action I would have expected it to take would have prevented her loss. I'll explain why below.

When Miss T tried to make the final payment here, for £3,000 on 3 July 2023, Revolut held the payment and showed her a series of warnings which said the payment could be a scam and had a higher risk score than most other transactions. It asked Miss T to select the purpose of the payment from a list of options, and then forced her into an in-app chat with one of its advisors to discuss the payment reason she'd given.

And based on what it knew about the payments Miss T made here, I wouldn't have expected Revolut to do more than this.

But from what I've seen of her communication with the scammer, Miss T sent the scammer a screenshot of the warnings Revolut showed her and asked them what options she should select and what she should tell them the payment was for. Miss T also appears to have done this for some of the questions she was asked by one of the cryptocurrency exchanges. And the scammer told her to give incorrect or misleading information about the purpose of the payments, and not to mention what they were really for – which Miss T then did.

So even if Revolut had asked questions and shown Miss T warnings before some of the other payments she made as well, I think it's likely she would have followed the scammer's

instructions and not given it accurate information about the purpose or the circumstances of the payments – as happened with the questions she was asked. And so I don't think Revolut would have had significant concerns following its questions and I don't think any warning I would have expected it to show following those questions would have stopped Miss T from making the payments or losing the money she did.

I appreciate that Miss T has been the victim of a cruel scam and that my decision will come as a disappointment to her. She has lost a significant amount of money and I sympathise with the position she has found herself in. But I can only look at Revolut's responsibilities and, for the reasons I've set out above, I don't think anything I would reasonably have expected Revolut to have done would have prevented the loss she suffered. And so I don't think it would be fair to require Revolut to refund the money Miss T has lost.

We also expect firms to take reasonable steps to try to recover any money their customers have lost as a result of a scam. But as the payments Miss T made here all appear to have been to purchase cryptocurrency, and Miss T appears to have received the cryptocurrency she paid for before sending it on to the scammers, I don't think anything I would have expected Revolut to have done would have been able to recover any of the payments.

My final decision

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss T to accept or reject my decision before 11 October 2024.

Alan Millward
Ombudsman