

The complaint

Mrs A complains that Revolut Ltd won't refund money she lost when she fell victim to an employment scam.

What happened

The detailed background to this complaint is well known to both parties and has also been set out previously by the investigator. The facts about what happened aren't in dispute, so I'll focus on giving my reasons for my decision.

The complaint concerns several transactions totalling over £4,000 which Mrs A made in October 2023 from her Revolut account. These were made in connection with a job opportunity which involved completing a set of tasks to improve visibility and rankings of applications. Unfortunately, the employment opportunity turned out to be a scam. Revolut was able to recover some of the funds, so the loss being claimed for is just over £3,200.

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.

But, taking into account relevant law, regulators rules and guidance, relevant codes of practice and what I consider to be good industry practice at the time, I consider it fair and reasonable in October 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,
- have acted to avoid causing foreseeable harm to customers, for example by maintaining adequate systems to detect and prevent scams and by ensuring all aspects of its products, including the contractual terms, enabled it to do so,
- 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,

- 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've looked at the operation of Mrs A's account and I don't consider the individual transactions in dispute to be *that* unusual such that I think Revolut ought to have had cause for concern. The transactions were for amounts ranging between £22 and £1,000. They were in keeping with Mrs A's general account spending. For instance, in the week prior to the first disputed transaction Mrs A made a payment for £1,100. So, I don't consider the payments ought to have flagged as unusual to Revolut.

We know Revolut did ask Mrs A some questions when she authorised two of the disputed payments. In both instances, she confirmed she no one was assisting her in answering the questions or telling her to ignore Revolut's warnings. For one of the transactions, Mrs A told Revolut that the purpose of the transaction was to purchase perfume. For the other, she said she was paying back a family member or friend for something they'd purchased on her behalf. In the circumstances, I find that Revolut didn't act unreasonably in releasing the payments.

I recognise that Mrs A says the scam was very convincing. I've seen from her chat correspondence with the scammer that she was taken in by the scammer. On several occasions, Mrs A questioned whether she was being scammed. But each time the scammer was able to alleviate her concerns by providing reassurances.

I can also see that the scammer coached Mrs A about what to say to Revolut if it questioned her about the payments. It is clear they had gained Mrs A's trust. In deciding what's fair and reasonable in the circumstances of this case, my consideration is about Revolut's actions. I find that the questions it asked to establish if there was risk of loss due to fraud or scam were proportionate to the risk involved. But Mrs A wasn't honest in her answers. Given the transaction activity involved – the payees and the amounts involved – I don't find it unreasonable that Revolut was satisfied with Mrs A's reassurances.

I've considered other activity on the account, such as several declined transactions on 6 October. It's unclear why the transactions were declined, so it's arguable whether that ought to have given Revolut cause for concern. But even if I were to make a finding that it should have made enquiries at that time, given Mrs A was under the spell of the scammer – the messages exchanged with them at the relevant time indicate that she was willing to open an account with another EMI – on balance I'm not persuaded that she would have been honest with Revolut such that the scam would have been uncovered.

Thinking next about the recovery of payments when Revolut became aware of the situation, I can see it contacted the beneficiary account providers. Unfortunately, it was only able to recover a partial amount. It either didn't hear back from the beneficiary account providers, or they confirmed that funds had already left the beneficiary's account.

In summary, I know that Mrs A will be disappointed with this outcome. Not least because the matter has been ongoing for some time. I fully acknowledge that there's a considerable amount of money involved here. Despite my natural sympathy for the situation in which she finds herself, for the reasons given, it wouldn't be fair of me to hold Revolut responsible for her loss.

My final decision

For the reasons given, my final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs A to accept or reject my decision before 18 July 2024.

Gagandeep Singh
Ombudsman