

## The complaint

Mrs J complains that Revolut Ltd ('Revolut') won't refund the money she says was lost as the result of a scam.

## What happened

In 2023, Mrs J was contacted out of the blue via a messaging app by someone offering her a job. The contact said they worked for a recruitment agency and used the name of a genuine recruitment company. Mrs J said she was interested and was contacted by someone I'll refer to as D. D offered Mrs J a remote role that involved completing tasks, by reviewing hotels for a search engine's platform. Mrs J says she reviewed the website, looked online for reviews and checked that the search engine offered the campaigns described as part of the job. Mrs J didn't realise it at the time, but this was a job scam.

Mrs J was told she would be paid a £380 basic weekly salary plus commission for completing review tasks. She would receive £0.80 for standard tasks and £7.20 for commercial tasks. She was also told that it would take 15 to 20 minutes per day to complete.

Mrs J says she wasn't looking for work, but as her partner had recently lost their job, she was interested in making some additional income.

D showed Mrs J how to set up an account with their company so she could complete the tasks, took her through training on a trial set of tasks and also helped Mrs J set up an account with an Electronic Money Institute (who I'll refer to as W) which would be credited with any commission or salary withdrawals. Mrs J was added to a group on a messaging app, which she was told contained other employees. She was also provided with a customer service contact who would help her with making deposits and withdrawals to her account.

Mrs J was told she needed to make payments to fund the tasks, which she initially did from her account with W. When Mrs J made the payments from her account with W, they asked for the payment purpose and Mrs J chose "paying for goods and services" and was shown an on-screen warning.

Mrs J says she was pressured into sending increasing amounts to the scammer through blackmail. She was told they would share her bank details and says they threatened physical harm to her family. As a result, Mrs J made the following payments from her Revolut account.

Date	Payment	Details of the transaction	Amount
9.10.2023	1	Payment to A – includes a fee	£299.74
9.10.2023	2	Payment to A – includes a fee	£561.63
9.10.2023	3	Payment to I – includes a fee	£1,424.02
9.10.2023	4	Payment to Y – includes a fee	£3,508.49
9.10.2023		<i>Credit from Y</i>	<i>£1,000 cr</i>
9.10.2023		<i>Credit from Y</i>	<i>£1,588.38 cr</i>
9.10.2023	5	Payment to M – includes a fee	£1,511.74
9.10.2023	6	Payment to A2 – includes a fee	£1,056.09

9.10.2023	7	Payment to O – includes a fee	£1,699.10
9.10.2023	8	Payment to O – includes a fee	£1,699.10

Mrs J says the scammer told her that she had to make payments to different individuals as she was dealing with tasks relating to different hotels.

Ultimately, Mrs J was told she needed to send a further £12,000 to clear the negative balance on her account and in order to withdraw her commission. Mrs J couldn't afford to do this and raised a fraud claim with Revolut.

Revolut investigated Mrs J's fraud claim but declined to refund her. Revolut said they contacted the beneficiary banks but weren't able to recover any of Mrs J's funds. Mrs J was shown warnings in relation to payments three, four, six, seven and eight. And, Mrs J was referred to their in-app chat specialist in relation to payment five. Revolut said they're not at fault for following Mrs J's payment instructions.

Mrs J wasn't happy with Revolut's response, so she brought a complaint to our service.

An investigator looked into Mrs J's complaint but didn't recommend that Revolut refund her. The investigator explained that the payment purpose Mrs J selected when making the payments, prevented Revolut from identifying the true purpose of the payments.

Mrs J disagreed with the investigator's opinion and provided a detailed response. The crux of her concerns are:

- This wasn't purely a job scam as she was threatened and blackmailed.
- Revolut should've flagged or blocked the transactions as they were unusual compared to her previous account use.
- Revolut's generic warnings were insufficient to counter the sophisticated manipulation Mrs J faced.
- Revolut have refused to cooperate with Interpol or refund any of Mrs J's funds.
- There is a clear lack of a dedicated team or protocol for handling scams at Revolut.
- Under the Payment Services Regulations (regulations 75 and 77), Mrs J is entitled to a full refund for unauthorised transactions or where the specific amount of the payment transaction exceeded what the user could reasonably have expected. Mrs J says she only authorised the transactions not realising she was the victim of a scam.
- FCA Principle 6 requires Revolut to treat its customers fairly and to take reasonable steps to protect its customers from fraud and scams.
- FCA Principle 7 requires Revolut to communicate with customers in a way that is clear, fair and not misleading, including providing clear warnings that customers can understand and act upon effectively.
- Banking Codes of Practice, Standards of Lending Practice and UK Finance Best Practice Guideline for Firms – encourages banks to implement robust fraud detection systems.
- EU Directive 2015/849 refers to the importance of financial institutions cooperating with law enforcement to prevent and investigate money laundering and financial crimes.

The investigator responded to Mrs J's points, highlighting the payments Revolut intervened on and the warnings they provided to Mrs J on those payments. The investigator said they

hadn't seen any evidence of the blackmail or threats in the chat transcripts between her and the scammer. And, that Revolut had taken appropriate steps to try and recover her funds.

Mrs J asked for an ombudsman to review her case.

### **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 really sorry that Mrs J has lost such a significant amount of money as the result of a cruel scam.

In deciding what's fair and reasonable in all the circumstances of a complaint, I'm required to take into account relevant: law and regulations; regulators' rules, guidance and standards; codes of practice; and, where appropriate, what I consider to be good industry practice at the time.

Where there is a dispute about what happened, and the evidence is incomplete or contradictory, I've reached my decision on the balance of probabilities – in other words, on what I consider is most likely to have happened in light of the available evidence.

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.

Here it's not in dispute that the payments were authorised, albeit Mrs J did so not realising she was the victim of a scam – but that doesn't make the payments unauthorised. So, the starting position is that Revolut isn't liable for the transactions.

There are however, some situations where we believe that businesses, taking into account relevant rules, codes and best practice standards, shouldn't have taken their customer's authorisation instruction at "face value" – or should have looked at the wider circumstances surrounding the transaction before making the payment.

Revolut also has a duty to exercise reasonable skill and care, pay due regard to the interest of its customers and to follow good industry practice to keep customers' accounts safe.

#### Did Revolut intervene when Mrs J made her payments?

Revolut intervened when Mrs J made payments three, four, six, seven and eight – showing Mrs J on-screen warnings.

Mrs J was also provided with a warning for each new payee that she set up, which asked if she knew and trusted the payee. It suggested that if Mrs J was unsure, not to pay them as she may not be able to get her money back.

For payments three, four, six, seven and eight, Mrs J saw an on-screen warning which said "Something doesn't look right. Your transaction has been flagged by our system as a potential scam". She was asked questions which included whether anyone was guiding or prompting her – she said no. And, it said that if someone told her to ignore the warnings, they're a scammer.

Mrs J was then asked the purpose of her payment and chose “goods and services”. She was asked follow on questions relevant to purchase scams, which questioned who she was purchasing from, whether the price was too good to be true, whether she’d checked online reviews and whether she’d seen proof of ownership.

As a result of her answers, she was shown a warning which said “STOP. Fraudsters pretend to be selling items they don’t have. In 2022, more than 700 million was lost to scams”. Mrs J was told to be wary of bargains, to research the seller and to use a secure payment method. Mrs J chose to continue with the payments.

When Mrs J made payment five, she was asked the same questions as above and was passed to a Revolut specialist through their in-app chat. The specialist told Mrs J that Revolut’s security system had paused her transfer to protect her from a potential scam and that there was a high chance she was at risk if she made the transfer. Mrs J chose to proceed with the payment.

As Mrs J was making payments to individuals (potentially for peer-to-peer cryptocurrency purposes), it wasn’t easily identifiable to Revolut that the payments were made in relation to cryptocurrency.

#### How should Revolut have intervened?

I’m satisfied that Revolut intervened on payments three, four, six, seven and eight as I would’ve expected. The payments were out of character and there was a pattern of payments made in quick succession and for increasing values.

I think the questions Revolut asked in relation to the payments were appropriate as was the on-screen warning Mrs J was shown. Unfortunately, Mrs J didn’t choose the most appropriate payment purpose, which prevented Revolut from giving a warning that was closely aligned to the circumstances under which she made the payment. As the payments weren’t identifiably going to cryptocurrency, I would only expect Revolut to provide an on-screen warning relevant to the payment purpose Mrs J chose and the most common scams for that payment purpose – which they did.

I would’ve expected Revolut to transfer Mrs J to a specialist through their in-app chat when she made payment five – which they did. However, I think they should’ve asked Mrs J more open probing questions. I appreciate that they had information from the questions she’d answered which said she was purchasing goods and services. But, the pattern of the payments and the high volume of payments made to multiple new payees in a short period of time should’ve concerned Revolut, that she might not be buying goods. This should’ve resulted in Revolut asking more probing questions about the payments she was making.

#### Would better intervention have made a difference?

However, even if Revolut had asked more open probing questions, I’m not satisfied that I can safely conclude that the scam would’ve been uncovered, or the payments prevented.

I say this because W intervened before Mrs J made any payments from her Revolut account. As part of this W asked Mrs J questions on-screen and showed warnings including three separate screens which all said “Stop – this sounds like a scam”. As a result, Mrs J messaged D and said W was telling her “it’s a scam” and she asked D “are you sure this is not a scam?”. D was able to satisfactorily allay Mrs J’s concerns and she continued to make payments.

So, by the time Revolut intervened, Mrs J had already been warned that W thought she was likely the victim of a scam. This should've concerned Mrs J when she was also told by Revolut that they thought she might be the victim of a scam.

W and Revolut offered a payment purpose option relating to "paying for work online", which would've provided Mrs J with a more relevant warning. However, Mrs J didn't select this for any of her payments so the warnings she saw didn't resonate with her.

Also, I'm conscious that Mrs J has told us that she was blackmailed and threatened into making the payments. And I'm not satisfied that Revolut posting an on-screen warning or using their in-app chat to ask questions would've identified this. Overall, I'm not satisfied that Revolut would've said anything that would've prevented Mrs J from continuing with the payments as she had already ignored warnings from W.

If Revolut had asked Mrs J more open probing questions, I'm not satisfied that I can fairly say Mrs J would've told them anything that meant they should have refused to follow her payment instructions.

I appreciate with hindsight that Mrs J believes Revolut should've blocked her payments and not allowed them to go through. But Revolut can't block payments without a reasonable basis for doing so, and I'm not satisfied that anything Mrs J would've said would've given them a fair basis for not processing her payments.

I'm really sorry that Mrs J was the victim of blackmail and threats, but I can't see that Revolut were aware of this, or should've been aware of this, based on the information she gave them. And, even if they had provided a better intervention, I don't think Revolut would've picked up why she was making the payments or prevented her from making further payments. So, I can't fairly hold Revolut liable for her loss.

#### The other points that Mrs J has raised

Mrs J says Revolut have refused to cooperate with the police, and that they don't have appropriate systems in place to deal with scams. However, these aren't issues that our service can get involved in and should be raised with the regulator – the Financial Conduct Authority.

Mrs J has referenced a number of different rules, regulations or industry guidelines around expectations on banks or EMI's in detecting potential scam risks, protecting customers from the potential risk of financial harm and providing warnings when such a risk is identified. I'd like to assure Mrs J that these have all been taken into account in reaching an answer on her complaint.

#### Recovery of funds

From what I've seen Revolut tried to recover Mrs J's funds, some of which went to other Revolut customers and some went to customers of separate Revolut entities that are based outside the UK. Unfortunately, no funds were recovered.

As the fraud claim wasn't raised until nearly two weeks after the last payment, it's more likely than not that the funds were removed from the beneficiary accounts before Mrs J raised the fraud claim. Also, if the funds were used to purchase cryptocurrency from individuals, no funds would be recoverable as they provided the service they were paid for. Recovery of funds doesn't look at the ultimate destination of the funds (being the scammer's account) only at the initial beneficiary who received the payment from Mrs J's Revolut account.

Based on the evidence, I'm satisfied that Revolut have taken appropriate steps to try and recover Mrs J's funds.

I'm really sorry that Mrs J has been the victim of a scam and been subjected to threats and blackmail. But, having carefully considered all of the evidence, I'm not satisfied that I can fairly hold Revolut liable or ask them to refund her.

### **My final decision**

My final decision is that I don't uphold this complaint against Revolut Ltd.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs J to accept or reject my decision before 19 March 2025.

Lisa Lowe  
**Ombudsman**