

The complaint

Miss H complains about Revolut Ltd.

She says that Revolut didn't do enough to protect her when she became the victim of a scam and would like it to refund her the money she has lost as a result.

What happened

Miss H received an unsolicited message from someone claiming to work for a well-known UK supermarket offering an employment opportunity. They explained that the role was to help improve their online sales.

Miss H was told that she would need to purchase and complete tasks, for which she would then receive commission, and that the tasks would need to be purchased via cryptocurrency.

Miss H was guided in how to do this by the individual, who she says was very knowledgeable and professional. However, once she tried to withdraw her funds, she was told that she needed to pay more money to access her them. The individual explained that they would be willing to help pay, but she would need to transfer some money directly to them too. Miss H then sent two payments to a UK bank account, but still didn't get her money and came to realise she had been scammed.

Below is a list of the payments Miss H made to the scam.

Payment	Date	Payee	Payment type	Amount
1	11/09/2023	Crypto exchange	Card	£80
2	11/09/2023	Crypto exchange	Card	£150
3	11/09/2023	Crypto exchange	Card	£228
4	11/09/2023	Crypto exchange	Card	£80
5	13/09/2023	Crypto exchange	Card	£1,000
6	13/09/2023	Crypto exchange	Card	£605
7	13/09/2023	Crypto exchange	Card	£170
8	13/09/2023	Crypto exchange	Card	£950
9	13/09/2023	Crypto exchange	Card	£650
10	13/09/2023	Crypto exchange	Card	£1000
11	13/09/2023	Crypto exchange	Card	£1,900
12	13/09/2023	Crypto exchange	Card	£1,200
13	13/09/2023	Crypto exchange	Card	£800
14	13/09/2023	Individual	Faster payment	£1,000
15	13/09/2023	Individual	Faster payment	£1,800
			Total	£11,613.00

Miss H then made a complaint to Revolut, but it didn't uphold her complaint. So, she came to this Service.

Our Investigator looked into things but didn't think that the complaint should be upheld. They said that while Revolut should have intervened in what Miss H was doing earlier in the payment journey, they were not persuaded that this would have prevented the loss.

Miss H didn't agree, and appointed a representative, who asked for a final decision, 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 banks and other payment service providers (PSP's) are expected to process payments and withdrawals that a customer authorises it to make, in accordance with the Payment Services Regulations and the terms and conditions of the customer's account. And I have taken that into account when deciding what's fair and reasonable in this case.

Miss H authorised the payments in question here – so even though she was tricked into doing so and didn't intend for the money to end up in the hands of a scammer, she is presumed liable in the first instance.

But this isn't the end of the story. As a matter of good industry practice, Revolut should also have taken proactive steps to identify and help prevent transactions – particularly unusual or uncharacteristic transactions – that could involve fraud or be the result of a scam. However, there is a balance to be struck: banks had (and have) obligations to be alert to fraud and scams and to act in their customers' best interests, but they can't reasonably be involved in every transaction

Taking into account the law, regulator's rules and guidance, relevant codes of practice and what I consider having been good industry practice at the time, I consider Revolut should fairly and reasonably:

- Have been monitoring accounts and any payments made or received to counter various risks, including anti-money laundering, countering the financing of terrorism, and 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 banks 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, before processing a payment, or in some cases declined to make a payment altogether, to help protect customers from the possibility of financial harm from fraud.
- 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 Miss H when she authorised payments from her account or whether it could and should have done more before processing them.

Looking at the payment journey, I don't think that Revolut needed to get involved with what was going on until payment nine – which is later than our Investigator originally suggested. The payments prior to this were of relatively low value, and I don't think that up until this point they were sufficiently unusual or suspicious enough for Revolut to have had concerns that Miss E was at risk of financial harm, and as I have explained it can't be reasonably involved in every transaction, even those that involve crypto.

However, by payment nine, Miss H had paid out over £3,000 to a crypto exchange in one day – and a pattern was clearly emerging which should have caused Revolut come concerns. With this in mind, I think it should have directed Miss H to its in-app chat (Revolut didn't make and was not obliged to make phone calls) to discuss the matter and check what was going on – and shown Miss H some dynamic tailored warnings about common crypto scams, including task-based job scams based on the answers she gave – but it did not do so.

However, in order for me to uphold this complaint, I would have to think that such an intervention would have presented Revolut with an opportunity to uncover the scam, and that Miss H would have not made payment nine, or any of the following payments. And I'm afraid that I don't think that it would have done. I'll explain why.

Revolut has shown that on payments 14 and 15, it blocked the transactions, and asked Miss H some questions about what was happening, and why she was making the payments.

Miss H confirmed through the app that she was making the payment to a family member or friend, for something they had purchased on her behalf, and had made a payment to them before. She also confirmed that she had received the account details face to face. While it could be argued that Miss H was paying someone back (as the individual had said they would make a payment on her behalf to 'release' her earnings), the answers she provided were not a reflection of what was really going on. She did not know the individual, and had only been messaging them for a few days, and she had not paid them before, or received the account details face to face.

Revolut also asked her if she was being heavily guided through the questionnaire, and to make sure that she was telling the truth, as fraudsters would encourage her to lie about the true reasons for the payment. It also warned her to be wary of urgency.

As part of this investigation, I asked Miss H's representatives to provide copies of the messages between Miss H and the scammer, and I can see that she was being talked through each step of making the payments and was asking the scammer if she was doing things right and for reassurance. I can also see that the scammer was telling her what to do and when, and she was following their instructions. While I can't see that she was outright told to lie to the bank, I can see that she was being heavily guided. I understand that Miss H was under a lot of pressure and was concerned she was going to lose her money, but she also continued to make payments despite her reservations, even though the scammers' explanations for the need for more payments were not at all plausible.

So, I think that the scammer would have been able to talk her through the payment process, to ensure a relevant job scam warning was not deemed necessary by Revolut, and even if Revolut had made an earlier and better intervention than it did, and I am not persuaded that Revolut would have been able to uncover the scam.

Revolut wouldn't have been able to recover the payments made directly to the crypto exchanges, as they were legitimate payments made to a crypto exchange, and the money was lost when it was transferred to a different wallet. However, I am aware that it did attempt

to recover the transfers, but the money had already been moved on, so there wasn't anything else it could do to help.

I am very sorry for the situation Miss H now finds herself in. I know that she is rightly upset about what has happened and has been cruelly tricked by an unscrupulous scammer who manipulated her. But the loss here was caused by the scammer themselves, and I can't ask Revolut to refund her when I don't think it could have prevented her loss.

My final decision

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss H to accept or reject my decision before 13 December 2024.

Claire Pugh
Ombudsman