

Complaint

Mr P is unhappy that Revolut Ltd didn't reimburse him after he told it he'd fallen victim to a scam.

Background

In May 2023, Mr P received a message from someone who purported to work for a recruitment agency. They wanted to offer him a job opportunity. Unfortunately, this wasn't a legitimate enquiry. Mr P had been called by a fraudster.

The role he was offered concerned "*app optimisation*." He was told that he'd need to place orders online on behalf of a client. He would earn commission for every order placed. However, he had an account on a platform used to place these orders. His account had an associated cash balance. He was told by the fraudster that he needed to top up his balance to enable him to place orders.

He did so in the expectation that he would recoup those costs with the commission he expected to earn. He made two payments of £1,100 and £2,000 respectively. These payments were to an intermediary specialising in cryptocurrency. His cash deposits were converted into cryptocurrency and then, ultimately, transferred into the control of the fraudsters.

Once he realised he'd fallen victim to a scam, he notified Revolut. It looked into things but didn't agree to refund him. Mr P wasn't happy with that response and so he referred his complaint to this service. It was looked at by an Investigator who didn't uphold it. Mr P disagreed with the Investigator's opinion and so the complaint has been passed to me to consider and come to a final decision.

Findings

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 a firm is expected to process payments and withdrawals that a customer authorises, in accordance with the Payment Services Regulations 2017 and the terms and conditions of the customer's account.

However, that isn't the end of the story. Good industry practice required that Revolut be on the lookout for payments that were out of character or unusual to the extent that they might have indicated a fraud risk. On spotting such a payment, I'd expect it to intervene in a manner proportionate to the risk identified.

It is now known with the benefit of hindsight that Mr P had been targeted by a scammer. The question I must consider is whether that risk ought to have been apparent to Revolut at the time based on the information that was available to it. Revolut did decide that there was some fraud risk associated with the first payment. It asked Mr P to clarify what the purpose of the payment was. He selected '*cryptocurrency*' from a list of reasons and so the Revolut

app displayed a warning tailored to the typical risks associated with cryptocurrency scams.

I recognise that the content of this warning wouldn't have particularly resonated with Mr P given the type of scam that had targeted him. In order for Revolut to fully ascertain the nature of the scam, it would've required a human interaction. But as I set out above, where Revolut was expected to intervene, the manner of its intervention needed to be in proportion to the risk associated with the payment.

In this instance, I'm not persuaded that the risk was sufficiently clear that Revolut needed to do more than provide a written warning to Mr P. I've looked at the payment history on his account. There's only limited data to serve as a basis for comparison. I therefore don't think Revolut could've reasonably identified that this payment was out of keeping with his typical spending patterns.

I also must keep in mind that firms need to strike a balance between disrupting the payment process to protect customers from fraud and allowing legitimate payments to be made. The size of the payments is a relevant risk signifier and I think it would be impractical to expect Revolut to take a more interventionist approach in connection with payments of this value.

For completeness, I've also considered whether Revolut did everything I'd expect it to once it became aware that Mr P had fallen victim to a scam. Unfortunately, more than three months had passed before Revolut was notified. Fraudsters will typically seek to move money out of the receiving bank account as quickly as possible and so, with a delay of that length, I don't think there was any reasonable prospect of recovering funds from the receiving account.

I don't say any of this to downplay or diminish the fact that Mr P has fallen victim to a cruel and cynical scam. I have a great deal of sympathy for him and the position he's found himself in. However, my role is limited to looking at the actions and inactions of the bank and I'm satisfied it didn't do anything wrong in processing these payments.

Final decision

For the reasons I've set out above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 11 July 2024.

James Kimmitt
Ombudsman