

## **Complaint**

Mr A is unhappy that Revolut Ltd didn't reimburse him after he fell victim to a scam.

## **Background**

In May 2023, Mr A fell victim to a job scam. He had been applying for work through recruitment agencies and was eventually contacted on a messaging app by someone who offered him a job opportunity. Unfortunately, that person wasn't a genuine representative of a company looking to recruit – Mr A had been contacted by a fraudster.

He was told that he'd need to complete tasks on an online platform. The premise was that his activity would simulate demand for products by clients. This would lead to better marketability for those products through online advertising. For every group of tasks he completed, he could earn commission. However, he needed to fund his account by making deposits. He used his Revolut card to make multiple payments to several payees. These payees were merchants operating cryptocurrency exchanges. As I understand it, his funds were converted into cryptocurrency which was transferred into the control of the fraudsters.

Once Mr A realised that he'd fallen victim to a scam, he contacted Revolut. It didn't agree to reimburse him. Mr A was unhappy 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 A 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 (in this case, the 2017 regulations) 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 account activity or payments that were unusual or out of character to the extent that they might indicate a fraud risk. On spotting such a payment, I think it needed to reasonably take steps to warn its customer about the risk of proceeding. Whether a warning should be provided, and the nature and extent of that warning should be proportionate to the risk the payment presents and strike a balance between trying to protect customers and not unduly inconveniencing them.

Mr A opened his Revolut account at the request of the scammers. This meant its task of spotting potentially fraudulent transactions was more difficult. I'd have expected it to be on the lookout for payments that were out of keeping with the way the account was typically used. But since this was a new account, it had no data to serve as a basis of comparison. The earliest payments Mr A made in connection with this scam were relatively modest in

value. Almost all of the payments were for less than £1,000. I don't think it would be practical or realistic to expect Revolut to intervene in connection with payments of that value.

However, the value of the payments did eventually increase. On 1 July 2023, Mr A made a card payment of £4,000 to a cryptocurrency exchange. At this point, I think Revolut ought to have considered that there was a possibility Mr A was at risk of financial harm due to fraud. It shouldn't have processed that payment without first providing Mr A with an appropriately tailored warning about fraud risk.

However, that alone isn't enough for me to say it should refund Mr A. I need to be persuaded that Revolut was the cause of his losses. In order to decide that, I need to consider what would've happened if Revolut had handled things differently – in other words, if it had responded to the fraud risk in the way I think it should've done, would that have prevented Mr A's subsequent losses?

In my view, the proportionate response here would be for Revolut to have provided Mr A with a warning framed around the risk posed by investment scams involving cryptocurrency. It knew Mr A was making payments to a cryptocurrency exchange and, at that point in time, that was one of the more frequently occurring scams. In practice, Mr A was being targeted by a different type of scam that just happened to use cryptocurrency as a way of getting victims to make payments.

Job scams like this one have become increasingly common over time, but I'm not persuaded that they were sufficiently common at this point that Revolut needed to have factored them into its fraud prevention systems by, for example, asking customers a specific question in the payment process to identify such scams and having an automated warning ready. Unfortunately, I think that, if Revolut had warned Mr A in the terms that I'd have expected, its warning wouldn't have resonated with him. He wasn't being targeted by an investment scam, so being warned about the risk of one wouldn't have deterred him from making these final payments.

I don't say any of this to downplay or diminish the fact that Mr A 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 firm and I'm satisfied it didn't do anything wrong here.

## **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 A to accept or reject my decision before 11 October 2024.

James Kimmitt  
**Ombudsman**