

The complaint

Miss B complains that Revolut Ltd (Revolut) is refusing to refund her the amount she lost as the result of a scam.

Miss B is being represented by a third party. To keep things simple, I will refer to Miss B throughout my decision.

What happened

The background of this complaint is well known to all parties, so I won't repeat what happened in detail.

In summary, Miss B was approached via WhatsApp and a job opportunity was explained with Exygy (X) to her. The job was to complete tasks to promote a business. Miss B carried out her own online research before agreeing to take the position.

Miss B was then added to a WhatsApp group that appeared to include other people doing the same job and was sent a link from which to complete her job tasks.

Miss B was required to send funds via cryptocurrency after completing 'premium tasks' to bring her account balance back to a positive value. After making the payments Miss B contacted X's customer services as she was unable to make any further payments. Miss B was told she could pay a fee to cancel the tasks and make a withdrawal.

Miss B paid the fee that had been requested but was still unable to make a withdrawal. Miss B realised at this stage that she had fallen victim to a scam. It appears a genuine company with a similar name had been cloned and used by the scammers.

Miss B made the following payments in relation to the scam from her account with Revolut:

Date	Payee	Payment Method	Amount
27 March 2023	Binancelgbpecom	Debit Card	£21.00
28 March 2023	Binancelgbpecom	Debit Card	£30.00
28 March 2023	Binance	Debit Card	£100.00
28 March 2023	Binance	Debit Card	£500.00
28 March 2023	Binance	Debit Card	£600.00
29 March 2023	Binance	Debit Card	£200.00
29 March 2023	Satoshideals	Transfer	£3,439.00
29 March 2023	Satoshideals	Transfer	£6,450.00
29 March 2023	Cro	Debit Card	£235.24
29 March 2023	Cro	Debit Card	£5,000.00
30 March 2023	Coinpay	Transfer	£13,200.00
31 March 2023	Coinpay	Transfer	£15,000.00
31 March 2023	Coinpay	Transfer	£6,550.00
2 April 2023	Sergey Babich	Transfer	£1.00
2 April 2023	Sergey Babich	Transfer	£4,999.00
4 April 2023	Serhil Tretiakov	Transfer	£1,090.00

4 April 2023	Serhil Tretiakov	Transfer	£1,100.90
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Our Investigator considered Miss B's complaint but didn't think it should be upheld. Miss B disagreed, so this complaint has been passed to me to decide.

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.

It has not been disputed that Miss B has fallen victim to a cruel scam. The evidence provided by both Miss B and Revolut sets out what happened. What is in dispute is whether Revolut should refund the money Miss B lost due to the scam.

Recovering the payments Miss B made

Miss B made payments into the scam via her debit card and the method of transfer. When payments are made by card the only recovery option Revolut has is to request a chargeback.

The chargeback scheme is a voluntary scheme set up to resolve card payment disputes between merchants and cardholders. The card scheme operator ultimately helps settle disputes that can't be resolved between the merchant and the cardholder.

Such arbitration is subject to the rules of the scheme, meaning there are only limited grounds and limited forms of evidence that will be accepted for a chargeback to be considered valid, and potentially succeed. Time limits also apply.

For the payments Miss B made by card she was dealing with X, which was the business that instigated the scam. But Miss B didn't make the debit card payments to X directly, she paid separate cryptocurrency exchanges. This is important because Revolut would only have been able to process chargeback claims against the merchant she paid, not another party (such as X).

The service provided by the cryptocurrency exchanges would have been to convert or facilitate conversion of Miss B's payments into cryptocurrency. Therefore, they provided the service that was requested; that being the purchase of the cryptocurrency.

The fact that the cryptocurrency was later transferred elsewhere – to the scammer – doesn't give rise to a valid chargeback claim against the merchants Miss B paid.

When payments are made via the method of transfer Revolut has limited recovery options available to it. Revolut could ask the receiving banks to return any funds that remain in the payee accounts. However, when Revolut attempted recovery in this way no funds remained.

With the above in mind, I don't think Revolut had any reasonable options available to it to recover the payments Miss B made.

Should Revolut have reasonably prevented the payments Miss B made?

It has been accepted that Miss B authorised the payments that were made from her account with Revolut, albeit on X's instruction. So, the starting point here is that Miss B is responsible.

However, banks and other Payment Services Providers (PSPs) do have a duty to protect

against the risk of financial loss due to fraud and/or to undertake due diligence on large transactions to guard against money laundering.

The question here is whether Revolut should have been aware of the scam and intervened when Miss B was making the payments. And if it had intervened, would it have been able to prevent the scam taking place.

When payments are of a significant value to new payees or carry other risk factors it is reasonable to expect Revolut's fraud prevention systems to be triggered and for it to carry out proportionate interventions before processing those requests.

I can see that each time Miss B made a transfer to a new payee Revolut intervened. Miss B would have seen a warning on her device stating, 'this could be a scam', followed by two further screens warning of potential scams and that once transfers had been made it may not be possible to recover the funds.

Miss B was then given a list of options to choose from that best described the reason for her payments. Miss B selected 'Investment'. However, this was not correct as Miss B has told us that the payments were being made as part of her job with X.

On 30 March 2023 an online chat conversation also took place between Miss B and Revolut following an attempt by Miss B to make a payment. Miss B confirmed she was not buying cryptocurrency and was looking to invest in property. Miss B had again given dishonest answers to Revolut.

Revolut warned during this chat that Miss B should '...never transfer more money in order to access your funds'. It's clear that Miss B ignored this warning and continued to make payments.

Miss B transferred funds to her Revolut account from accounts held elsewhere before making the payments in relation to the scam. When Miss B made these payments calls also took place.

On 29 March 2023 a call took place between Miss B and her other account provider in response to her attempt to transfer funds.

Miss B explained that the payment was for investing in cryptocurrency USDT. This was not correct. Miss B has confirmed that the payments were being made as part of her job, not for investment. Understandably, given Miss B's explanation of the payment she then received warnings in relation to investments and she even confirmed she had checked the investment out including that the investment was regulated.

When asked how Miss B found the company, she explained it was a company she was working for. Miss B had in fact found the company via WhatsApp as explained earlier in this decision.

A further call took place on 30 March 2023. During this call Miss B explained she had Google shares and needed to pay a large tax bill. This was incorrect information provided by Miss B.

Whilst Revolut could have intervened further and asked Miss B additional questions around the payments she made it's clear from the information available that Miss B was willing to give dishonest information to have the payments in relation to the scam processed.

I don't think Miss B would have been any more honest with Revolut had it questioned her further. So, I don't think Revolut missed an opportunity to uncover the scam, and it is not responsible for Miss B's loss.

My final decision

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss B to accept or reject my decision before 10 May 2024.

Terry Woodham
Ombudsman