

The complaint

Mr A complains that Revolut Ltd (“Revolut”) won’t refund over £13,000 he lost to an employment scam in May 2023.

What happened

Mr A and his wife fell victim to an employment scam after they were contacted by a sham recruiter offering a remote working opportunity that involved reviewing products online. As the complaint has only been brought by Mr A, I will only refer to him throughout the rest of this decision.

Throughout the scam, Mr A made 20 payments from his Revolut account between 2-3 May 2023 to various different payees to purchase cryptocurrency through the Peer-to-Peer (P2P) market, which he thought he was doing in order to top up his crypto-trading account that was required to complete his tasks. However, he realised he’d been scammed when he was being asked to make increasingly larger payments to withdraw the money he’d earned.

Mr A reported the fraud to Revolut, but it refused to refund any of the payments as Mr A had authorised them. Unhappy with this, he referred the matter to our service.

Our investigator didn’t uphold Mr A’s complaint. She thought that Revolut ought to have intervened and spoken to Mr A in light of the unusual payment activity on his account, but she didn’t think this would have ultimately prevented the scam as it was clear Mr A had been told to lie about the purpose of the payment. Mr A disagreed, so the matter has been escalated to me to determine.

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.

Having done so, I agree with the conclusions reached by the investigator for the following reasons:

- It isn’t in dispute that Mr A authorised the disputed payments he made from his Revolut account. The transfers were requested using his legitimate security credentials provided by Revolut, and the starting position is that firms ought to follow the instructions given by their customers in order for legitimate payments to be made as instructed.
- However, I’ve considered whether Revolut should have done more to prevent Mr A from falling victim to the scam, as there are some situations in which a firm should reasonably have had a closer look at the circumstances surrounding a particular transfer. For example, if it was particularly suspicious or out of character.
- It’s accepted that some of the payment activity was considered unusual given that it did trigger Revolut’s fraud prevention systems and led to it making further enquiries – such as the second payment Mr A made on 2 May 2023. Before allowing this payment to be

made, Revolut asked Mr A to confirm the reason why he was making it, to which he selected "Safe Account".

- Revolut said it provided a warning about safe account scams in light of this reason being chosen, but that Mr A proceeded to make the payment. However, Revolut ought reasonably to have known that someone sending money to a 'safe account' would most likely be doing so as part of a scam, so I don't think a written warning was sufficient in these circumstances, and it shouldn't have allowed the payment to go through at all until it had spoken to Mr A to seek further information regarding whether it was linked to a safe account scam or not. However, even if it Revolut had questioned Mr A further, I'm not persuaded this would have likely prevented his loss in any event. I'll explain why,
- Our service has seen a transcript of the messages sent between Mr A and the scammer, whom he was in contact with on 2 May 2023 when he was initially attempting to make the payments from another bank. Mr A explained to the scammer that the bank had blocked the payments and warned him about potential fraud. He asked the scammer if they had any suggestions, where they said he should tell the bank he was sending money to his friend or family. Mr A said that his bank told him it seems like the trader is a scam, at which point the scammer suggested buying cryptocurrency directly with his debit card. Mr A then said it wouldn't be a problem as he had another account with Revolut, where he then proceeded to make the disputed payments.
- Based on this evidence, it's clear that Mr A was being coached by the scammer on what to tell his bank if any of the payments were stopped. So, even if Revolut had questioned Mr A further about the reason why he selected "Safe Account" as his payment reason, I'm not persuaded he would have given upfront and honest answers. He seemingly hadn't told his other bank that he was making these payments as part of his employment, and was told to say he was sending money to family and friends. I note that Mr A was also told by his other bank that it sounded like he was being scammed, yet he still continued to make the payments through his account with Revolut.
- As a result, I'm not persuaded any further questioning, or scam warnings Revolut could've provided would have likely revealed the scam in these circumstances. So, I don't consider it would be fair and reasonable to hold Revolut liable for failing to prevent Mr A's loss.
- I also don't think there was anything more Revolut could've done to recover the money Mr A lost either. It seems that the payees he sent money to were part of the P2P crypto market, where he would've received cryptocurrency in return for the money he paid. So, there would've been no basis for Revolut to recover the money he had paid to these individuals. Even if Mr A had sent money directly to the scammers account, I note that he didn't report the fraud until 2 June 2023 – almost a month after the payments were made. So, it seems highly unlikely any funds would've remained at this point.

I appreciate this will likely come as a disappointment to Mr A, and I'm sorry to hear he has been the victim of a cruel scam. However, I'm not persuaded Revolut can fairly or reasonably be held liable for his loss in these circumstances.

My final decision

For the reasons given above, I do not 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 29 May 2024.

Jack Ferris
Ombudsman