

The complaint

Mr S complains about Revolut Ltd.

He says that Revolut didn't do enough to protect him when he fell victim to a scam and would like it to refund him the money he has lost.

What happened

Mr P received an unsolicited message from an individual offering a remote job writing reviews online for hotels. As he was unemployed at the time, Mr P was interested in the opportunity.

The individual explained that he would need to purchase 'tasks' with crypto currency, which he would complete, and then earn commission.

Mr P was persuaded by what the individual had to say and made/attempted the following payments from his account with Revolut.

Date	Payee	Payment type	Amount
6 September 2023	Individual	Push to card	£1,500 - Failed
8 September 2023	Unknown	Transfer	£1,500 - Failed
10 September 2023	B – a crypto exchange	Card	£1,522 - Failed
11 September 2023	B – a crypto exchange	Card	£1,522 - Failed
11 September 2023	B – a crypto exchange	Card	£1,522
13 September 2023	B – a crypto exchange	Card	£3,000 – Failed
13 September 2023	B – a crypto exchange	Card	£3,000 – Failed
13 September 2023	B – a crypto exchange	Card	£3,000
15 September 2023	B – a crypto exchange	Card	£2,500 - Failed
15 September 2023	B – a crypto exchange	Card	£2,500
		Total loss	£7,022

Unfortunately, Mr P had fallen victim to a scam, which he became aware of when he tried to withdraw his supposed commission and profit.

He complained to Revolut, but it didn't uphold his complaint. Unhappy with its response, he brought his complaint to this Service.

Our Investigator looked into things but didn't think Mr P's complaint should be upheld.

They said that while Revolut could have done more than it did, even if it had done so, they didn't think that Mr P's losses could have been prevented.

Mr P asked for an Ombudsman to make a 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.

Having done so, I've decided not to uphold this complaint, for broadly the same reasons as our Investigator. I know this will be disappointing for Mr P, so I'll explain why.

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.

Mr P authorised the payments in question here – so even though he was tricked into doing so and didn't intend for the money to end up in the hands of a scammer, he 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.

In this case, I need to decide whether Revolut acted fairly and reasonably in its dealings with Mr P when he authorised payments from his account or whether it could and should have done more before processing them.

Revolut has shown that it intervened on the first payment Mr P attempted to make, when he was trying to purchase crypto from an individual – it provided him with several questions to answer in order to try and protect him from financial harm. Revolut has shown that it explained to Mr P that it was important he was truthful and that a fraudster may ask him to conceal the real reasons for the payments.

Mr P confirmed the following in answering the questions;

- Mr P was transferring money to a friend

- Mr P was paying the person back for something they had bought him
- The money wasn't asked for unexpectedly
- Mr P had paid the individual before, using the same bank details
- Mr P obtained the bank details face to face.

The answers Mr P gave were not a reflection of what was really happening – and because of this Revolut wasn't able to uncover the scam at this point.

I understand that Mr P is registered as blind – but this doesn't prevent him from using his banking facilities. His representative explained that he uses software to read out text to him, and that sometimes this is unreliable. However, Mr P also confirmed that he was acting under the guidance of the scammer, and answered the questions as instructed. So, I don't think that a mistake was made when selecting the options that he did.

I have thought about the payment journey after the initial intervention, and like our Investigator, I believe that a further intervention should have been made by Revolut when it became clear that he was purchasing crypto directly from a crypto exchange, and it should have asked him a number of questions to try and narrow down the potential risk. But unlike our Investigator, I think this should have happened slightly earlier – when Mr P attempted to make the second payment of £1,522, as by this point Mr P had tried to make payments of over £3,000 to crypto within 24 hours.

I think that the pattern emerging here looked unusual and should have prompted Revolut to make further investigations as to what was going on. However, in order for me to uphold this complaint I would have to think that a further intervention from Revolut would have prevented Mr P's loss from this point – and I'm afraid that I don't think that it would.

Mr P has explained that he was acting under the direction of the scammer – and answering questions posed by Revolut as the scammer told him to. He had also already ignored a warning from Revolut to be honest in answering questions, and that fraudsters will say to lie about the true nature of the payments. So, I can't say that he would have divulged information about what was really happening in order for Revolut to determine that he was falling victim to a job scam.

I am very sorry for the situation Mr P now finds himself in – I know that he has lost a lot of money as a result of a cruel and manipulative scam – but the loss here was caused by the scammer, not Revolut. And I can't ask it to refund him when I don't think it could have prevented what happened here.

My final decision

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 19 September 2024.

Claire Pugh
Ombudsman