

## Complaint

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

## Background

In December 2023, Mr W received a message from someone who claimed to be recruiting people for a job at a digital marketing firm. They told Mr W that they had an opportunity for a role that involved working remotely. Unfortunately, he hadn't been contacted by a legitimate recruiter, but a fraudster.

He was told that he'd need to complete tasks on an online platform. The scammers told him that he was required to purchase items through their platform and that this would simulate demand for products sold by the client. This would lead to better marketability for those products through online advertising. He was told that, 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 account to make the payments set out in the table below. Payments 1 to 9 were transfers to private individuals and each was made to a different payee. Payments 10 to 12 were card payments to a cryptocurrency exchange. All payments were used to acquire cryptocurrency which was subsequently transferred into the control of the fraudsters.

1	5 December 2023	£31.71
2	6 December 2023	£122.76
3	8 December 2023	£30
4	8 December 2023	£388.74
5	8 December 2023	£84.19
6	9 December 2023	£494.84
7	9 December 2023	£500
8	9 December 2023	£511.50
9	9 December 2023	£276.21
10	9 December 2023	£2,039.80
11	9 December 2023	£2,039.80
12	9 December 2023	£780.23

Once he realised he'd fallen victim to a scam, Mr W contacted Revolut. It didn't agree to

refund his losses. It said that it had taken adequate steps to warn him about fraud risk, but Mr W wanted to proceed with making the payments anyway.

Mr W 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 W disagreed with the Investigator's view, 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, if it should, 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.

The earliest payments Mr W made in connection with the scam were generally of low value. The first nine were for less than £600. I don't think it's realistic or practical to expect Revolut to intervene in connection with payments of that value. However, on 9 December 2023, he used his Revolut card to make two payments of £2,039.80 to a third-party cryptocurrency exchange. At that point, I think it was clear that there was an enhanced prospect that Mr W was falling victim to a scam. Revolut needed to take steps to protect Mr W from the risk of financial harm due to fraud.

It did take carry out some fraud-related checks. Payment 10 was paused, and Mr W was directed to interact with one of Revolut's agents through its app. The answers he gave to its questions didn't give it any cause for concern and so it allowed that payment to be processed. Mr W's representatives have argued that Revolut ought to have probed the responses to its questions more thoroughly. Unfortunately, in the circumstances of this case, I'm not persuaded it would've made a difference.

Mr W answered Revolut's questions based on the guidance given to him by the scammer. During the payment authorisation process, Revolut warned him that if someone was guiding him, that this was a "*red flag*" for scams. It also asked him directly whether anyone was assisting him, and he responded in the negative. At the scammer's request, Mr W went on to answer Revolut's questions as if he were choosing to invest in cryptocurrency.

Unfortunately, the fraudsters had told Mr W that Revolut (and the financial services industry in general) had an ulterior motive in making it difficult for him to convert his money into cryptocurrency. Unfortunately, Mr W took that explanation from the scammer at face value and assumed it would be necessary to give misleading information when questioned. As a result, any proportionate intervention on Revolut's part had no realistic prospect of success.

Mr W's representatives have pointed out that in that interaction he also said he was a "*beginner*" as far as cryptocurrency was concerned. It has suggested that this should've been a red flag and justified more in-depth questioning. I'm not convinced by that. Although I

can see that a person's lack of experience might expose them to a greater investment risk, I must keep in mind that people do legitimately invest in cryptoassets and the fact that Mr W appeared to be investing in cryptocurrency and was new to it didn't, per se, mean that he was at risk of fraud

### **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 W to accept or reject my decision before 10 October 2024.

James Kimmitt  
**Ombudsman**