

The complaint

Miss M complains that Revolut Ltd didn't do enough to protect her when she fell victim to a job scam.

What happened

The details of this complaint are well known to both parties, so I will not repeat them again here. The facts are not in dispute so I will focus on giving the reasons for my decision.

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.

In broad terms, the starting position at law is that an Electronic Money Institution ("EMI") such as Revolut is expected to process payments and withdrawals that a customer authorises it to make, in accordance with the Payment Services Regulations (in this case the 2017 regulations) and the terms and conditions of the customer's account.

But, taking into account relevant law, regulators rules and guidance, relevant codes of practice and what I consider to have been good industry practice at the time, I consider it fair and reasonable in May 2023 that Revolut should:

- have been monitoring accounts and any payments made or received to counter various risks, including 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 firms 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, or provided additional warnings, before processing a payment – (as in practice Revolut sometimes does including in relation to card payments);
- have been mindful of – among other things – common scam scenarios, how the fraudulent practices are evolving (including for example the common use of multi-stage fraud by scammers, including the use of payments to cryptocurrency accounts as a step to defraud consumers) and the different risks these can present to consumers, when deciding whether to intervene.

I'm satisfied that Revolut ought to have recognised that the 6th card payment (£1,910) Miss M made carried a heightened risk of financial harm from fraud, because by this time she'd sent a high amount to cryptocurrency on her card in one day – £3,455.

I think a proportionate response to that risk would've been for Revolut to provide Miss M with a written warning tailored to common cryptocurrency investment scams. These were the common scam associated with payments to cryptocurrency merchants at this time. But, had it done so, I'm not persuaded that would have prevented Miss M's loss. I'll explain why.

Miss M was falling victim to a job scam, not an investment scam. So while the content of the warning would've related to common scams at the time, it wasn't relevant to her. The warning therefore wouldn't have deterred her from going ahead. But I consider this was what was proportionate to the risk at the time.

Miss M's representative has said that Revolut should've had a job scam specific warning by May 2023. But it wasn't required to ask questions of Miss M, so it was expected to display a warning based on the payment information it held and the *most* common scam/s associated with this. While job scams were increasing in prevalence, cryptocurrency investment scams were more prevalent and a warning attempting covering both situations was unlikely to be effective to either scam.

I'm in agreement with the investigator's conclusion that an appropriate intervention would've been to show a cryptocurrency investment scam warning in the Revolut app, after the card payment was stopped. But that this wouldn't have unravelled the scam for the reasons above. And I don't consider there was any reason for Revolut to do more than this and speak to Miss M in this case. So I don't uphold this complaint.

My final decision

For the reasons set out above, I don't uphold Miss M's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss M to accept or reject my decision before 2 January 2025.

Amy Osborne
Ombudsman