

## The complaint

Mrs X complains Revolut Ltd won't refund the money she lost to a scam.

## What happened

Around September 2023, Mrs X was contacted via an instant messaging service about a job. She was told she would be completing batches of tasks to help optimise the ranking of apps in exchange for commission. And that she needed to load cryptocurrency to the platform in order to unlock tasks and withdraw her earnings. Unfortunately, this was a scam.

Mrs X used her Revolut account to purchase cryptocurrency, load it to a cryptocurrency wallet she held, then send it on to the platform. When she was prompted to keep paying more without being allowed to withdraw any of her earnings, she realised she had been scammed.

Mrs X subsequently complained to Revolut – via a professional representative – that it ought to have done more to protect her when she made the payments. As Revolut didn't agree to refund her, she referred the matter on to our service.

Our investigator didn't uphold Mrs X's complaint. They found Revolut had displayed "better automated warnings" in relation to two scam payments – asking Mrs X a series of questions to assess the level/type of risk. This included a question relevant to the type of scam ("job scam") Mrs X fell victim to. But her responses indicated that wasn't the case. In that context, the investigator didn't think Revolut had cause to intervene further.

Mrs X has appealed the investigator's outcome. Her representative says pop up warnings are known to be ineffective, so Revolut *"should have put [Mrs X] in touch with a human being"*.

## 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 it. I appreciate this will be disappointing for Mrs X. I hope my explanation below helps shed some light on how I've impartially reached this outcome.

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 that, in September 2023, 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;
- have acted to avoid causing foreseeable harm to customers, for example by maintaining adequate systems to detect and prevent scams and by ensuring all aspects of its products, including the contractual terms, enabled it to do so;
- 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);
- 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.

Here, Revolut *did* recognise two of the payments carried a heightened risk of financial harm from fraud. One for £550, the other for just under £1,500. While the amounts didn't look worryingly large or uncharacteristic within Mrs X's account activity, both payments were sent to new payees. It's also possible that Revolut may have identified from the recipients that the payments were likely connected to cryptocurrency.

In that context, I'm satisfied a better automated warning was a proportionate response to the risk identified – which is what Revolut did. That included asking Mrs X a question tailored towards establishing if she was at risk from a job scam. It said:

*“Have you been asked to complete a set of tasks to earn a fee?  
Fraudsters ask you to complete tasks to earn a commission, only to later demand additional payments to release your earnings”*

On each occasion, Mrs X answered “no”. If she had answered yes to this question – which I'm satisfied was directly relevant to what she had been asked to do – I would have expected Revolut to have done more. But her responses made it appear unlikely she was at risk from a job scam.

Looking at the nature of the payments, I'm persuaded this form of questioning/warning, as opposed to human intervention, was proportionate to the level of risk. In all the circumstances, given the questions asked and Mrs X's responses, I consider it reasonable Revolut processed the payments in line with her authorised instructions without intervening further.

I also don't think Revolut had cause to be concerned about the last payment Mrs X went on to make. The payee was the same as the previous one, where Mrs X had already responded to indicate she wasn't making the payments as part of a job scam, and it was for a broadly similar amount. Even if Revolut had used this style of better automated warning earlier or later, given how Mrs X answered when it was used, it's unclear she would have responded in a way that made the risk clearer.

I've considered if there is any other reason why Revolut ought to refund Mrs X (or do something else to resolve this complaint). I understand it attempted to recover the funds once the scam was reported but was unable to do so. As it appears the funds were effectively being loaded to Mrs X's own cryptocurrency wallets, then sent on to the scam, that doesn't seem surprising. I'm not persuaded Revolut ought to have been able to recover the funds.

I also don't think Revolut acted in a way throughout the events of this complaint that caused Mrs X avoidable distress and inconvenience warranting compensation. Overall, while I appreciate she has lost a significant sum to a cruel scam, I'm not persuaded it would be fair and reasonable for me to direct Revolut to refund her loss or otherwise compensate her.

### **My final decision**

For the reasons given above, my final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs X to accept or reject my decision before 24 July 2024.

Rachel Loughlin  
**Ombudsman**