

## **The complaint**

Miss Y complains that Revolut Ltd won't refund money she lost when she fell victim to an employment scam.

Miss Y is being represented by solicitors in this complaint.

## **What happened**

The detailed background to this complaint is well known to both parties and has also been set out previously by the investigator. The facts about what happened aren't in dispute, so I'll focus on giving my reasons for my decision.

The complaint concerns six transactions totalling approximately £7,900 which Miss Y made in February 2024 from her Revolut account. These were made in connection with a job opportunity which involved completing a set of tasks to boost ratings for hotels. Miss Y subsequently discovered that she'd fallen victim to a scam.

Miss Y's Revolut account was opened as part of the scam. It was explained to her that she needed to make deposits to complete some of the tasks. To facilitate this, Miss Y transferred money from her account with a high street bank to Revolut, before sending making card payments to an online remittance service for onward transfer to payees abroad as instructed by her 'mentor'. At the time, Miss Y was led to believe that the payees would deposit the money into her account on the job site. But that turned out not to be true.

## **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 be good industry practice at the time, I consider it fair and reasonable that in February 2024 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 (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.

EMIs are set up with the purpose of sending and receiving money and the type of payments they're generally used for tends to be somewhat different to banks and building societies. Where there's no previous account history, as was the case here, what should reasonably strike Revolut as concerning isn't down solely to the transaction amount involved.

Having reviewed the account activity, I don't think there was anything particularly unusual about the individual transactions such that I think they ought to have flagged as suspicious on Revolut's systems. They were made over a couple of days – two on 20 February and four on 23 February – and the individual amounts ranged between £565 and £1,715. The transactions went to a legitimate online remittance service. As such, there was nothing unusual about them such that I would expect Revolut to have taken additional steps.

Miss Y's representative states Miss Y made four high-value transactions within a 24-hour period, and this should be considered unusual even if there was a break between the timing of the transactions.

But I don't agree that the value of individual transactions was high such that an intervention was warranted based on the amount involved. A payment service provider's primary duty is to execute the customer's payment instruction. There's a balance to be struck between identifying payments that could potentially be fraudulent – and then responding appropriately to any concerns – and ensuring minimal disruption to legitimate payments.

I also don't agree that in the circumstances of what happened here, four transactions in a 24-hour period were so unusual or concerning that Revolut should be considered at fault for not intervening. As the investigator has highlighted – and I agree – the payments were going to a legitimate online remittance service. So, I wouldn't have expected the transaction to have flagged as unusual based on the merchant details either.

What this means is that I don't consider Revolut acted unreasonably in executing Miss Y's authorised instruction to make the payments.

I've also thought about recovery of the payment once Revolut became aware of the situation. As mentioned, the payments went to an online remittance service. From the information available, Miss Y used that service to send payments to third parties. Under the circumstances, chargeback is likely to have been unsuccessful if one had been raised.

In conclusion, I know that Miss Y will be disappointed with this outcome. Despite my natural sympathy for the situation in which she finds herself, for the reasons given, it wouldn't be fair of me to hold Revolut responsible for her loss.

**My final decision**

For the reasons given, my final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss Y to accept or reject my decision before 13 September 2024.

Gagandeep Singh  
**Ombudsman**