

Complaint

Mr R is unhappy that Revolut Ltd didn't refund him after he told it he'd fallen victim to a scam.

Background

Mr R was contacted on a messaging platform about a job opportunity. He was told that he'd need to complete tasks on a platform maintained by the client and that his efforts would improve the search engine rankings of hotels. He could earn commission based on the number of tasks completed.

However, after a short period of time had elapsed, he was told that he needed to fund his account in order to continue working. He agreed to do so in the expectation that he would earn that money back through the commission payments he was expecting to receive. He made a little over 20 card payments from his Revolut account to several third-party cryptocurrency exchanges. Those cash deposits were then converted into cryptocurrency and transferred to the fraudsters. He made those payments from 13 July 2023 until 27 December 2023.

When he realised that he'd fallen victim to a scam, he notified Revolut. It didn't agree to refund him. Mr R wasn't happy with that and so he referred his complaint to this service. It was looked at by an Investigator who didn't agree that the complaint should be upheld. Mr R disagreed with the Investigator's opinion 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. Mr R did authorise these payments and so he is presumed liable at first instance.

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'd expect it to take steps to protect their customer. That might be as simple as providing a written warning as part of the payment process or it might extend to making contact with the customer to establish the circumstances surrounding the payment.

We now know with the benefit of hindsight that Mr R was falling victim to a scam. The question I must consider is whether Revolut ought to have recognised that given the information at its disposal at the time. I've considered the available evidence carefully and I'm not persuaded that it could've recognised the fraud risk here.

The payments Mr R made in connection with the scam weren't particularly high in value – most were for less than £1,000. I don't think it's realistic or practical to say that Revolut ought to be expected to query payments of that value. I recognise that, in aggregate, Mr R transferred a significant amount of money in connection with the scam. However, these payments were also spread out over a significant period – around five months in total. By the time he made some of the larger payments (such as the payment for £1,320 on 1 December 2023) he had a well-established pattern of making payments that related to cryptocurrency. I don't think this ought reasonably to have given Revolut cause for concern, particularly given that he had made a handful of legitimate payments to a cryptocurrency firm back in 2022.

For the sake of completeness, I did consider whether Revolut could've done anything more to recover Mr R's funds. However, as his funds were immediately converted into cryptocurrency and moved into the fraudsters' control, there wouldn't have been any remaining in the account he paid. Revolut could've raised a chargeback on his behalf, but given that the payments it facilitated were legitimate ones to genuine third-party firms which did perform the contracts they'd made with Mr R (i.e. to receive fiat currency and convert it into cryptocurrency) I don't think a chargeback would've had any realistic prospect of success.

I don't say any of this to downplay the fact that Mr R has fallen victim to a cruel scam. I have a great deal of sympathy for him and the position he's found himself in. Nonetheless, my role here is to look at the actions and inactions of Revolut. I'm not persuaded it could've reasonably identified the fraud risk and so I don't think it did anything wrong in processing these payments without questioning them further.

Final decision

For the reasons I've explained above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 28 April 2025.

James Kimmitt
Ombudsman