

The complaint

Miss K complains about Revolut Ltd.

She says that Revolut didn't do enough to protect her when she became the victim of a scam and would like it to refund her the money she has lost as a result.

What happened

Miss K is a student and was looking for higher paid work, so added her details to a well-known employment focused social media site.

Soon afterwards, she was contacted via WhatsApp by an individual claiming to work for a recruitment agency. The individual offered Miss K a supposed employment opportunity involving rating hotels and providing a positive review in exchange for commission, which Miss K accepted. Miss K would be required to purchase tasks, and she transferred her money to another bank account in her name with 'W', and then on to accounts the individual provided.

Miss K made the following payments.

Payment	Date	Payee	Transaction type	Amount
1	16 August 2023	Miss K	Debit card	£20.08
2	16 August 2023	Miss K	Debit card	£9.04
3	18 August 2023	Miss K	Debit card	£50.21
4	19 August 2023	Miss K	Debit card	£70.29
5	19 August 2023	Miss K	Faster payment	£97
6	20 August 2023	Miss K	Debit card	£275.15
7	20 August 2023	Miss K	Faster payment	£1,582
8	21 August 2023	Miss K	Faster payment	£1,500
9	25 August 2023	Miss K	Faster payment	£1,063
			Total *	£4,666.77

*I understand that Miss K has already been refunded £2,232.16 by W, the bank she sent the funds to.

While Miss K was able to make some withdrawals via the platform provided to her by the individual, soon she became unable to, and realised she had been scammed.

She complained to Revolut, but it didn't uphold her complaint. Unhappy, she brought her complaint to this Service.

Our Investigator looked into things but didn't think that the complaint should be upheld.

Miss K asked for an Ombudsman to make a final decision, so the complaint has been passed to me.

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 this complaint, for broadly the same reasons as our Investigator. I know this will be disappointing for Miss K, so I'll explain why.

In broad terms, the starting position at law is that banks and other payment service providers (PSP's) are expected to process payments and withdrawals that a customer authorises it to make, in accordance with the Payment Services Regulations and the terms and conditions of the customer's account. And I have taken that into account when deciding what's fair and reasonable in this case.

Miss K authorised the payments in question here – so even though she was tricked into doing so and didn't intend for the money to end up in the hands of a scammer, she is presumed liable in the first instance.

But this isn't the end of the story. As a matter of good industry practice, Revolut should also have taken proactive steps to identify and help prevent transactions – particularly unusual or uncharacteristic transactions – that could involve fraud or be the result of a scam. However, there is a balance to be struck: banks had (and have) obligations to be alert to fraud and scams and to act in their customers' best interests, but they can't reasonably be involved in every transaction

Taking into account the law, regulator's rules and guidance, relevant codes of practice and what I consider having been good industry practice at the time, I consider Revolut should fairly and reasonably:

- Have been monitoring accounts and any payments made or received to counter various risks, including anti-money laundering, countering the financing of terrorism, and 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 banks 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, before processing a payment, or in some cases declined to make a payment altogether, to help protect customers from the possibility of financial harm from fraud.
- 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.

In this case, I need to decide whether Revolut acted fairly and reasonably in its dealings with Miss K when he authorised payments from his account or whether it could and should have done more before processing them.

I don't think that the first six payments Miss K made required any intervention by Revolut – they weren't of high amounts and were going to an account in Miss K's own name – so I

don't think they would have been sufficiently unusual or suspicious enough for Revolut to have had any concerns.

Revolut has shown that it intervened on payment seven – and asked Miss K about what she was doing. It presented her with a number of options to select, and Miss K selected 'Investment'. It then presented her with an investment scam warning and said that her payment had a higher risk score than 99.2% of transfers that were made via Revolut. Miss K continued with the payment. At the time, Miss K was not presented with the option for 'paying for a job' – but she was presented with the option of 'something else'.

Miss K's representatives have said that Revolut should have gone on to provide a more thorough human intervention, especially as it had detected that Miss K's payment was a high risk when compared to other transactions. It says that as per the Financial Conduct Authority's (FCA) Consumer Duty was in force by the time that Miss K made the payments, that Revolut should have gone further than it did.

However, I'm not persuaded that Revolut needed to go further than it did at this point – and I think that the checks it made were proportionate to the risk it identified. The payment, while larger than other Miss K had made, wasn't overly large, and the transfer was going to an account in Miss K's name – an action she had undertaken several times before – and there was no indication that the payment was going to a high-risk payee such as a cryptocurrency exchange.

So, I'm satisfied that Revolut didn't need to take any further steps than it did.

I have also considered if Revolut could have retrieved any money on behalf of Miss K – but as the money went to her own account, and was quickly moved on, I'm satisfied there was nothing it could have done to recover her funds.

I am very sorry for the situation Miss K now finds herself in – I know that she has lost a lot of money as a result of a cruel and manipulative scam – but the loss here was caused by the scammer, not Revolut. And I can't ask it to refund her when I don't think it did anything wrong.

My final decision

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss K to accept or reject my decision before 19 September 2024.

Claire Pugh
Ombudsman