

The complaint

Ms P was a customer of Revolut Ltd (“Revolut”).

Ms P’s complaint is about Revolut’s refusal to reimburse her money she says she lost due to a scam.

Ms P is represented by Refundee in this matter. However, where appropriate, I will refer to Ms P solely in this decision for ease of reading.

What happened

The circumstances of this complaint are well known to all parties concerned, so I will not repeat them again here in detail. However, I will provide an overview of events.

In short, Ms P says she has fallen victim to a cryptocurrency linked job scam. That is, fraudsters tricked her into making payments to receive income from completing various ‘job tasks’. The Revolut card payments in question are:

| Payment Number | Date | Time | Beneficiary | Amount |
|----------------|------------------|-------|-------------|----------------------------|
| 1 | 21 November 2023 | 17:57 | MoonPay | £478.64 |
| | 21 November 2023 | 19:06 | MoonPay | £1,386.85 (declined x2) |
| 2 | 21 November 2023 | 19:09 | MoonPay | £1,386.85 |
| 3 | 24 November 2023 | 13:54 | MoonPay | £3,889.49 |
| 4 | 24 November 2023 | 14:57 | MoonPay | £3,023 |
| | 25 November 2023 | 14:51 | MoonPay | £5,000 (declined) |
| | 25 November 2023 | 16:34 | MoonPay | £5,000 (declined) |
| | 25 November 2023 | 16:34 | MoonPay | £5,000 (declined) |

Ms P disputed the above with Revolut. When it refused to reimburse Ms P, she raised a complaint, which she also referred to our service.

One of our investigators considered the complaint and did not uphold it. As Ms P did not accept the investigator’s findings, this matter has been passed to me to make a decision.

It should be noted that Ms P made payments from an account she holds\held with Wise in

relation to the scam. Ms P has raised a complaint against Wise about this which is being dealt with by our service separately.

What I have 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 find that the investigator at first instance was right to reach the conclusion he did. This is for reasons I set out in this decision.

I would like to say at the outset that I have summarised this complaint in far less detail than the parties involved. I want to stress that no discourtesy is intended by this. If there is a submission I have not addressed, it is not because I have ignored the point. It is simply because my findings focus on what I consider to be the central issues in this complaint.

Regulatory framework

The regulations which apply in this matter are the Payment Services Regulations 2017 ("the PSRs").

Should Revolut have recognised that Ms P was at risk of financial harm from fraud?

It is not in dispute that Ms P authorised the payment transactions in this matter. Generally, consumers are liable for payment transactions they have authorised. However, that is not the end of the story. This is because even if a payment is authorised, there are regulatory requirements and good industry practice which suggest firms – such as Revolut – should be on the look-out for unusual and out of character transactions to protect their customers from financial harm. And, if such payment transactions do arise, firms should intervene before processing them. That said, firms need to strike a balance between intervening in a customer's payment to protect them from financial harm, against the risk of unnecessarily inconveniencing or delaying a customer's legitimate transactions.

I have borne the above in mind when considering the payment transactions in this matter.

Payment 2

Before Payment 2 was processed, Ms P attempted to make this transaction twice. This triggered Revolut's systems and prompted it to intervene. That is, Revolut declined the payments on both occasions, asked Ms P for the payment purpose, and provided her with an in-app scam warning.

Amongst the payment purpose options presented, Ms P selected '*To transfer to another account*'. She was then presented with a scam warning relevant to this payment purpose. However, to my mind, there was another more relevant payment purpose Ms P could have selected: '*Completing a job application task*', which was more in-line with the type of payments Ms P was making. Had Ms P selected that purpose, she would have been provided with a more relevant scam warning.

For these reasons, I find that Revolut acted reasonably in trying to protect Ms P from financial harm.

Ms P has provided an explanation as to why she selected the payment purpose she did. I deal with this point later in my decision below.

Payment 3

I am persuaded that Payment 3 was unusual and out of character. I say this because of the nature of the payment and its value.

Given these aggravating factors, I think there was an identifiable risk. Therefore, Payment 3 should have triggered Revolut's fraud detection systems; prompting it to intervene before releasing the transaction to try to protect Ms P from financial harm. I am mindful of the fact that Payment 3 occurred post the Financial Conduct Authority's Consumer Duty. I have taken this together with the aggravating factors present. In doing so, my view is that a proportionate intervention to the risk identified would have been a scam warning tailored to the likely job scam Ms P was at risk from. For example, a warning asking a series of automated questions designed to narrow down the type of job scam risk associated with the payment transaction being made.

Revolut failed to do this.

If Revolut had intervened, would that have made a difference?

As I have taken the view that Payment 3 should have triggered an intervention by Revolut, I must now turn to causation. Put simply, I need to consider whether Revolut's failure to intervene caused Ms P's loss. To do this, I need to reflect on whether such an intervention (described above) would have likely made any difference. Having done so, I am not persuaded that it would have. I take the view that, on the balance of probabilities, Ms P would have frustrated Revolut's attempt to intervene to protect her from financial harm – thus alleviating any concerns Revolut had.

I say this for the following reasons.

First, Ms P says she was added to a group of '*freelancers*'. She says they showed themselves successfully accessing the '*portal*'. Further, the group informed Ms P that the company was legitimate, and they provided Ms P with the company's genuine details. I have no doubt that Ms P would have been taken in by this.

Secondly, Ms P says she received a £300 credit in connection with the scam on 9 November 2023. Again, I take the view that this would have reassured Ms P that everything was above board.

Thirdly, I have taken into account Ms P's response to Revolut's intervention in relation to Payment 2 (mentioned above). I have relied on this as an indication as to what Ms P would have likely done had Revolut intervened in Payment 3. During the Payment 2 intervention, Ms P did not select the correct payment purpose. I have not seen anything to persuade me that Ms P would not have selected the incorrect payment purpose again had she been asked this for Payment 3. Ms P says she selected '*To transfer to another account*' for Payment 2 because she was transferring money to another account, so thought this payment option was best suited. Ms P adds she was not being dishonest. I do not accept this argument. To my mind, a reasonable person in Ms P's circumstances at the time – who believed they were making legitimate payments – would have selected '*Completing a job application task*', as this payment purpose closely matched the transaction type Ms P was making.

Fourthly, in addition to the above, I have also relied on Ms P's response to a human in-app chat with Revolut on 25 November 2023. Revolut restricted Ms P's account on this date due to, from what I can see, three failed attempted payments to MoonPay. Ms P spoke to Revolut about this via the in-app chat. During that in-app chat, Revolut stated to Ms P, amongst other things, that it was highly likely that the payments she was attempting were

part of a scam. Revolut also said that it had recently spoke with another customer who attempted very similar transactions and confirmed that they had been scammed. However, Ms P did not accept this was happening to her. Further, from what I can see, Ms P continued to make payments in relation to the scam from her account with Wise. Whilst I accept Revolut did not provide Ms P with a tailored warning, it would be remiss of me to ignore the fact that Revolut provided a clear warning that she was likely being scammed. This is something Ms P did not heed, and, to my mind, another example of how under the fraudsters' spell Ms P was at the time.

In my judgment, the above are a combination of persuasive factors. When taken as a whole, they suggest that had Revolut intervened in Payment 3 to protect Ms P from financial harm (in the way described above): it is likely Ms P would have frustrated this intervention – thus alleviating any concerns Revolut had.

Other Payments

Payment 1

I have thought about whether Payment 1 should have triggered an intervention from Revolut. Having done so, I am not persuaded it should have. I say this because of the absence of any significant aggravating factors surrounding the payment.

Payment 4

I think an argument could be made to suggest that Payment 4 should have triggered an intervention like the one I have described for Payment 3. However, I am not persuaded that such an intervention would have been successful for the same reasons I have set out above regarding Payment 3.

Recovery of funds

Purchasing cryptocurrency/the service of exchanging funds into cryptocurrency is provided by the exchanges (or payment processor to exchange). Therefore, I am not satisfied that there was any reasonable prospect of success had Revolut raised a chargeback – under the relevant scheme – on behalf of Ms P to recover her funds.

Compensation for distress and/or inconvenience

In response to the investigator's findings, Ms P expressed concerns about how long it took Revolut to lift the restriction on her account after it was restricted on 25 November 2023. During that period, Ms P says she was unable to access the money in her Revolut account which she needed for everyday spending and bills, etc.

From what I can see, it appears that Revolut lifted the restriction on Ms P's account on 4 December 2023. I acknowledge that at first blush, it does appear that it took Revolut a long time to do this. However, I have weighed this against the fact that the reason for the delay was because Revolut was attempting to protect Ms P from any further financial harm – particularly given the fact that during the in-app chat on 25 November 2023, Ms P was adamant that she was not being scammed. Further, although Ms P contends that she urgently needed access to her money, I cannot ignore the fact that Ms P was prepared to transfer this same money for the purposes of the scam. Had Revolut not restricted Ms P's account – she would have made this transfer.

Ms P has expressed concerns about Revolut not telephoning her after it said it would on 1 December 2023. I accept that Revolut should have done this. However, I also note that Ms

P said, in response to being told she would be telephoned, *"I don't want call i want my account to be unrestricted. I can't pay for anything at all. Sorry but you are lying."* Ultimately, Ms P wanted access to her money. Had Revolut telephoned Ms P – her account would still have been restricted.

For these reasons, I do not consider an award for distress and/or inconvenience is warranted in this matter. Any distress and/or inconvenience Ms P has suffered is a result of the fraudsters' actions – not Revolut's.

Conclusion

Taking all the above points together, I do not find that Revolut has done anything wrong in the circumstances of this complaint. Therefore, I will not be directing Revolut to do anything further.

My final decision

For the reasons set out 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 Ms P to accept or reject my decision before 3 April 2025.

Tony Massiah
Ombudsman