

The complaint

Miss J complains that Revolut Ltd won't reimburse her after she fell victim to a job scam.

Miss J is professionally represented in bringing her complaint to our service, but for ease of reference, I'll refer to all submissions as made by Miss J directly.

What happened

Miss J has explained that in around March 2023, she was actively looking for jobs online when she received a text from an unknown number, claiming to be a recruitment firm. Unfortunately, unknown to Miss J at the time, the text was in fact from a fraudster.

The fraudster asked whether Miss J would be interested in remote work with an advertising firm. When Miss J confirmed she was interested, she received contact via an instant messaging app from another fraudster purporting to be her work mentor. The fraudster explained the job role – that Miss J would be providing data optimisation by boosting the popularity of online apps. Miss J was told she needed to 'boost' a minimum of 40 apps to receive payment and commission. Miss J researched the firm online and found nothing untoward (unaware that the fraudsters had in fact spoofed a genuine firm), and therefore agreed to proceed.

Miss J created an account on the 'job' platform, which was pre-funded by the company, but Miss J was told that she would need to fund it further to earn more money. Miss J initially made payments to the platform through another of her banking providers, but then, on the fraudster's advice, opened a Revolut account to continue making further payments.

However, as Miss J completed her tasks, the funds she was required to add to the platform became higher, the number of tasks she needed to complete kept increasing and Miss J was told she needed to pay 'fees' to withdraw her funds. Miss J has explained she used all her savings attempting to complete the tasks, but when she had no further money to send, the fraudster stopped responding and the website later disappeared. Overall, Miss J's account activity was as follows:

Date	Payee	Amount	Comments
5 May 2023	Payee 1	£1,000	New payee warning provided
6 May 2023	Payee 2	£2,521	New payee warning and more tailored warning provided, following request for payment purpose
7 May 2023	Payee 2	+ £2,513.45	Previous payment returned, minus a fee applied by the receiving bank
7 May 2023	Miss J's own account	£3,000	
7 May 2023	Payee 3	£2,000	New payee warning and more tailored warning provided, following request for payment purpose

Realising she'd fallen victim to a scam, Miss J contacted Revolut to raise a scam claim. Revolut considered Miss J's claim but didn't consider it was liable to reimburse her. It said that Miss J authorised the transactions, and that it provided warnings during the payment journey, but Miss J chose to proceed.

Revolut said that for all three payments to new payees, it provided the following warning:

'Do you know and trust this payee? If you're unsure, don't pay them, as we may not be able to help you get your money back.'

It also said that for payments made to payee two and three, it additionally asked Miss J to confirm the reason for making the payment transfer. Miss J chose *'something else'* as the payment purpose both times. As a result, Revolut provided Miss J with further information advising her not to ignore warnings, and advising her about 'safe account' scams.

Miss J disagreed with Revolut's response and referred her complaint to our service. An investigator considered Miss J's complaint but didn't uphold it. She thought the steps Revolut took during the payments to identify potential fraud were proportionate to the scam risk presented, based on the size and nature of the payments, and considering the lack of payment history Revolut had to rely on to establish Miss J's 'usual' account activity. She also thought Revolut couldn't reasonably have done anything further to recover Miss J's funds.

Miss J disagreed with the investigator's view. She thought that making over £8,000 of payments in such a short timeframe ought to have triggered human intervention from Revolut. As Miss J disagreed, the complaint has been referred to me for a final decision.

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, while I'm sorry to disappoint Miss J, I'm not upholding her complaint. I appreciate this isn't the outcome she was hoping for, but I've explained my reasons for reaching this outcome below.

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 in May 2023 that 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;
- 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);

It isn't in dispute that Miss J has fallen victim to a cruel scam here, nor that she authorised the disputed payments she made from her account, but I've thought about whether Revolut should have reasonably intervened further, prior to processing the payments.

Miss J's Revolut account was opened for the purposes of this scam, so Revolut had no previous account history to consider when assessing whether these payments were out of character or not. I've thought about whether, based on the value and frequency of the payments, the intervention steps Revolut took were proportionate. Having considered the complaint holistically, I think they were. It appears from the evidence provided by Miss J, that the payments were made via peer to peer lending – so while Miss J received cryptocurrency in return for the bank transfers she made, this wouldn't have been apparent to Revolut, with Miss J's funds being sent to bank accounts directly first. Additionally, one of the payments made was to Miss J's own bank account, which Revolut would've been able to identify had also been a source of funds previously to the account and therefore arguably lower risk.

Therefore, the risk that would've been apparent to Revolut was largely three transfers to separate payees over three days, totalling just over £5,500. When considering whether Revolut ought to have intervened further, prior to processing any of these payments, I have to bear in mind that Revolut also processes thousands of genuine payment transfers daily and therefore has a difficult balancing act between identifying and preventing fraud where possible, while also not unduly inconveniencing customers making genuine transactions. All things considered, I don't think Revolut acted unreasonably by not intervening further than it did by providing generalised 'new payee' warnings and subsequent tailored warnings on the payment purpose. Therefore, while I'm sorry to disappoint Miss J, I can't hold Revolut liable for the losses Miss J incurred to the scam.

Recovery of funds

Unfortunately, as Miss J's payments were made towards peer to peer lending, and therefore funds were exchanged for cryptocurrency before being transferred on to the fraudster, there's little Revolut can do to recover these funds. However, Revolut has provided evidence that, after receiving a scam claim from Miss J, it did contact the beneficiary accounts where her bank transfers were made to. Unfortunately, the beneficiary banks confirmed that no funds were recoverable.

My final decision

My final decision is that I don't uphold Miss J's complaint against Revolut Ltd.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss J to accept or reject my decision before 8 October 2024.

Kirsty Upton
Ombudsman