

The complaint

Mr R, via a representative, complains that Revolut Ltd (“Revolut”) have failed to refund the money he lost as part of a fake job scam.

What happened

The details of this complaint are well known to both parties, so I will not repeat everything again here. Instead, I will focus on giving the reasons for my decision.

In summary though, Mr R was contacted via a messaging service by a scammer that I will call C. C persuaded Mr R that she worked for a company that I will call B that would pay him for completing a series of tasks online. Periodically, while completing these tasks, he was asked to “top up” his account by paying B cryptocurrency.

Mr R then made over 30 transactions via faster payment and debit card payments to cryptocurrency firms between 7 September 2023 and 13 September 2023 these transactions totalled over £30,000. The funds were then sent to B.

When Mr R attempted to withdraw the “income” that he could see on B’s ‘platform’, he was told that he had to pay an additional fee of £9,999 to upgrade his account to a level which would allow withdrawals commensurate with the “income” he had earned. At this point Mr R realised that he had been scammed.

Mr R asked Revolut to refund these payments, as he believes Revolut should have done more to prevent him from being scammed in the first place. Revolut did not agree with this.

One of our investigators looked into this matter and he thought that, given the answers Mr R gave during interactions with Revolut, any intervention from Revolut would not have stopped the scam. He therefore did not uphold this complaint.

Mr R did not agree with this and therefore his complaint has been passed to me to issue a 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, I agree with the conclusions reached by the investigator for the following reasons.

It isn’t in dispute that Mr R authorised the disputed payments he made from his Revolut account. The payments were requested by him using his legitimate security credentials provided by Revolut, and the starting position is that Revolut ought to follow the instructions given by their customers in order for legitimate payments to be made as instructed.

However, I've considered whether Revolut should have done more to prevent Mr R from falling victim to the scam, as there are some situations in which it should reasonably have had a closer look at the circumstances surrounding a particular transaction. For example, if it was particularly out of character.

Revolut did not intervene until some point on 11 September 2023. I think that Revolut should probably have intervened earlier as the volume and pattern of payments is indicative of someone who is being scammed - even if the funds were going to an account in his own name.

That said, even if Revolut had asked more probing questions and provided tailored warnings, I don't think that this would have stopped the scam. I say this for a number of reasons.

We have the scam chat between Mr R and the scammer. It is clear that when asked questions by Revolut and his other account provider, the scammer and Mr R were collaborating as to what answers to give to get the payments authorised.

It is also clear from the online chat with Revolut that he was keen to make the payments and was getting frustrated with his payments being stopped by Revolut. He also was not forthcoming about what he was intending to do with the funds.

So, I think it likely had Revolut intervened earlier and asked more probing questions, Mr R would have given answers designed to allay the suspicions of Revolut. I also don't think that any warnings given by Revolut would have stopped Mr R from carrying on with the payments he was making. Revolut told Mr R on a number of occasions that he was likely being scammed and despite this, Mr R carried on with the payments regardless. You could argue that the warnings that Mr R was being provided did not relate to the scam that Mr R was actually falling for. But this was because of the answers that Mr R was giving when asked why he was making the payments in question.

Even if Revolut had completely stopped the payments in question I don't think this would have stopped the scam as Mr R was clearly under the spell of the scammer at the time the payments were made. The relationship between Mr R and the scammer had become more personal and he clearly trusted them and their advice. This is shown by him following their instructions when payments were being blocked by Revolut. So I think that had Revolut stopped the payments completely he would have sent payments via other means on recommendation of the scammer.

Taking everything into consideration, I think that Revolut should have intervened more than it did. But even if it had intervened further, I don't think the scam would have been stopped.

I've also thought about whether Revolut could have done more to recover the funds after Mr R reported the fraud.

Revolut are under no obligation to refund the money to Mr R under the Contingent Reimbursement Model (CRM) Code. This is because the Code does not apply to transfers which the payer has effectively made to themselves. Also, Revolut are not signed up to the code. In relation to the debit card payments, they seem to have been made as a means to send funds to a crypto account and it seems that these funds were successfully sent and received by him. So overall as he essentially received what he had paid for, I don't think that Revolut could have challenged the payments.

I appreciate this will likely come as a disappointment to Mr R, and I'm sorry to hear he has been the victim of a cruel scam. However, I'm not persuaded that Revolut can fairly or reasonably be held liable for his loss in these circumstances.

My final decision

For the reasons given above, I do not 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 6 September 2024.

Charlie Newton
Ombudsman