

## **The complaint**

Miss C says Revolut Ltd (“Revolut”), didn’t do enough to help when she fell victim to an ‘authorised push payment’ (“APP”) ‘job task’ scam. She says Revolut should reimburse her for the money she lost.

In bringing her complaint to this service Miss C has used a representative, but for ease of reading, I’ll refer to Miss C throughout this decision.

## **What happened**

The circumstances which led to this complaint are well-known to both parties, so I won’t repeat them in detail here. But, in summary, I understand them to be as follows.

Miss C fell victim to a sophisticated and cruel job task scam. Miss C was looking for additional work and was contacted, through a social media messaging application, regarding a job opportunity.

The job involved completing online tasks to provide positive online reviews for various products and businesses. Miss C was informed that she needed to open a Revolut account – as the company could only pay her commission into this account due to the systems and platforms it used.

Miss C received a mentor who was in daily contact with her and guided her through what to do. Miss C completed tasks – but her account with the company went into a negative balance. Miss C was told that she needed to get her account back into a positive balance before she could receive any commission.

This required Miss C to purchase cryptocurrency, which she did from individuals and a cryptocurrency exchange, and to then deposit that into a cryptocurrency account that was also set up in her name. From there she sent the cryptocurrency to the company she thought she was working for.

Miss C was required to get her account back into a positive balance a number of times, with the amount Miss C needing to pay increasing.

In order to make the payments, Miss C topped up her Revolut account from an account she held at another banking provider.

Miss C made the following payments from her Revolut account as a result of the scam:

Payment number	Date	Time	Payment method	Payee	Amount (including fee)
1	18/09/2023	8.08pm	Out	1	£33.76
2	19/09/2023	10.51am	Out	2	£122.76
3	19/09/2023	12.38pm	Out	3	£51.15
	19/09/2023	8.33pm	In		£201
4	21/09/2023	10.36am	Out	2	£214.83
5	21/09/2023	11.23am	Out	4	£110.77
6	23/09/2023	10.25am	Out	5 (cryptocurrency merchant)	£900
7	23/09/2023	4.51pm	Out	6	£2,970.65
8	23/09/2023	5:21pm	Out	6	£50.35
				<b>Total sent</b>	£4,454.27
				<b>Total received</b>	£201
				<b>Outstanding loss</b>	<b>£4,253.27</b>

Miss C ultimately realised she had been the victim of a scam and reported the matter to Revolut to see if the funds could be recovered or reimbursed. Miss C considered Revolut didn't do enough to prevent her from falling victim to the scam when she made the payments.

Revolut looked into the matter and didn't uphold Miss C's complaint. In short, it considered it wasn't at fault for processing the transactions Miss C had authorised, and that it had also provided sufficient scam warnings for the transactions Miss C made. Revolut also advised it wasn't able to recover any of the funds from the beneficiary institutions.

Unhappy with Revolut's response, Miss C brought her complaint to our service. Our Investigator reviewed the matter and didn't recommend the complaint be upheld. In summary they thought Revolut didn't need to intervene on all the payments (Payments 1, 2, 3, 5 and 8) and it had acted proportionately to the risk identified on Payment 4. The Investigator felt that Revolut could have done more in relation to Payments 6 and 7 but didn't feel any intervention would have made a difference as Miss C had been coached by the scammer as to what payment purpose to select and what answers to choose or information to provide in response to Revolut's additional checks. So they didn't think Revolut could have prevented the loss and that it had acted fairly and reasonably in its dealings with Miss C.

Miss C responded advising that she was vulnerable at the time, and with a young child which affected her frame of mind. Miss C believed that had there been more of an attempt at intervention, then the spell of the scammer could have been broken. Miss C remained of the opinion that Revolut didn't do enough to protect her.

Our Investigator wasn't minded to change their opinion. So, as Miss C disagrees with the Investigator's opinion and as the matter hasn't been resolved, it's been passed to me to decide.

### 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.

In deciding what's fair and reasonable in all the circumstances of a complaint, I'm required to take into account relevant: law and regulations; regulators' rules, guidance and standards; codes of practice; and, where appropriate, what I consider to have been good industry practice at the time.

I'm aware that I've summarised this complaint and the responses briefly, in less detail than has been provided, and in my own words. No discourtesy is intended by this. Instead, I've focussed on what I think is the heart of the matter here – which is to determine whether Revolut should have done more to prevent Miss C's losses. If there's something I've not mentioned, it isn't because I've ignored it. I haven't. I'm satisfied I don't need to comment on every individual point or argument to be able to reach what I think is the right outcome. Our rules allow me to do this. This simply reflects the informal nature of our service as an alternative to the courts.

Having thought carefully about Revolut's actions, I'm not upholding Miss C's complaint. I do appreciate how disappointing this will be for her. Miss C was a victim of a cruel scam losing funds to scammers when she was looking to earn additional income. But in weighing everything up, so Revolut's actions and the testimony and evidence Miss C has provided about what happened, I don't think I can fairly say Revolut should reimburse her. I'll explain why.

In broad terms, the starting position at law is that a bank is expected to process payments and withdrawals that a customer authorises it to make, in accordance with the terms and conditions of the customer's account.

Here, Miss C authorised all the transactions that are in dispute – and that's accepted by all parties. And under the Payment Service Regulations 2017 (which are the relevant regulations in place here) that means Miss C is responsible for them. That remains the case even though Miss C was the unfortunate victim of a scam and was duped into making the transactions.

There are times when I might expect a Firm to question a transaction or payment, even though it may have been properly authorised. Broadly speaking, Firms like Revolut should fairly and reasonably have been on the lookout for the possibility of fraud in order to protect its customers.

#### What does this mean for Miss C?

In this case, I need to decide whether Revolut acted fairly and reasonably in its dealings with Miss C when she made the transactions, or whether it should have done more than it did.

I've looked to see first, whether Miss C's transactions were unusual and out of character. And second, whether Revolut should have stepped in and intervened – so taking some additional steps or checks with Miss C about a transaction.

But importantly, I have to determine whether these additional checks or steps were proportionate to the potential risk posed and whether it would have put Revolut on notice that something might not be right, and that Miss C may be at risk of financial harm or revealed the scam. I also have to consider whether any intervention by Revolut would have made a difference and prevented Miss C from making the transactions – thereby preventing the loss.

Here Miss C opened the account for the purpose of making the transactions that were unfortunately a scam. This meant that Revolut didn't have a history of account usage to compare Miss C's activity against in order to determine whether any activity was out of character or unusual.

That said, Revolut did provide some warnings on the transactions Miss C made, so I've looked at whether I think it acted fairly in its dealings with Miss C when she was making the transactions.

#### Payments 1, 2, 3, 4 and 5

As explained, Miss C set up the account with Revolut. The account was opened on 18 September 2023 and Miss C made a low value payment on that same day. Miss C then made two further payments on 19 September 2023.

These three payments weren't remarkable in their nature, and I don't think it would be fair to say that Revolut would have been on notice that Miss C was potentially at risk of financial harm at the time of making the payments whereby I would expect it to carry out some further additional checks. I'm also mindful that Revolut provided a 'new payee' warning on each occasion – and that was appropriate and proportionate in the circumstances.

With Payment 4, it was made two days later, on 21 September 2023, and was going to an existing beneficiary (the same beneficiary as Payment 2). Revolut did carry out some additional checks on this payment and asked Miss C to provide a payment purpose. Miss C, under the advice of the scammer, chose 'Pay family or friend'. I find Revolut's intervention here was appropriate to any potential risk, given the value of the payment and the payment purpose chosen. And I don't think it needed to do any more here.

Payment 5 was also sent on 21 September 2023. It was a low value payment that went to a new beneficiary, with Revolut providing a 'new payee' warning. Again I find Revolut's intervention and warning appropriate here, and it didn't need to do any more.

#### Payment 6

Miss C made payment 6 on 23 September 2023 and it was for £900. Revolut intervened on Payment 6, and I agree with our Investigator that it could have done more. The payment was identifiably going to a cryptocurrency exchange provider, and Miss C (under the advice of the scammer) had selected the payment purpose as 'Pay family or friend'. Revolut asked some questions of Miss C, which she answered – with the help of the scammer. And Revolut then subsequently contacted Miss C regarding the payment through its in-app chat. Revolut could have asked some further open and probing questions during its in-app chat with Miss C – to satisfy itself Miss C wasn't at risk of financial harm rather than asking whether she had been asked to make the payment urgently.

But, and importantly, despite any potential failings or shortcomings on Revolut's behalf – I have to consider whether any further intervention would have made a difference here overall. I have to weigh up what Miss C's belief was at the time she made the payments and take into account the narrative that she had been fed by the scammer and that the scammer was coaching her through the payment journey and telling her what to answer in response. So I have to consider whether she would have proceeded with the payments in any event. This is the crux of the matter here.

Having looked through the messages between Miss C and the scammer, it is clear, that she was, unfortunately, well under the spell of the scammer and believed everything to be legitimate. And Miss C was coached through the payment journey by the scammer with the scammer telling her what warning or option to select or what to say or respond with. And I find there to be, based on the balance of probabilities, a stronger argument that Miss C would have proceeded with the payments, and it is unlikely that she would have been truthful if Revolut probed further or wouldn't have heeded any warnings or risks that Revolut might have put forward.

I say this because, to my mind, even if some further questions had been asked by Revolut, it is more likely than not that – as Miss C was liaising with the scammer during the payment journey and receiving advice on what to do – the scammer would have reassured Miss C. It is likely the scammer would have appeased Miss C with a further narrative or plausible explanation as to why the bank was carrying out some additional checks and that Miss C needn't worry and what she could respond with, in order to get the payment through and not have it delayed. And I think this is strongly evidenced through the chat history between Miss C and the scammer. Miss C had (unfortunately) followed the scammers advice on each occasion regarding the payments and I don't find there to be persuasive enough evidence to suggest this wouldn't have been the case had Revolut probed further.

#### Payment 7

Miss C had chosen the payment purpose as 'Pay family or friend' and Revolut did ask some further questions around this and then subsequently through its in-app chat it asked whether Miss C was being asked to make the payment urgently. Arguably, there could have been some further probing questions carried out in relation to this payment through its in-app chat. But given the findings I have reached about any likely intervention not having a material effect on preventing Miss C's losses in relation to payment 6, I can't fairly say that any further intervention on this payment would have made a difference here. And I say this for the same reasons that I've set out above.

#### Payment 8

Miss C hadn't sent the right amount when sending payment 7 and made a transaction for an additional top up amount to the same beneficiary as payment 7. Given it was to an existing payee and was for a low amount – I don't find Revolut needed to intervene here.

Overall, based on the evidence I have seen, Revolut didn't need to intervene on the majority of the payments, as they weren't so remarkable that Revolut would have fairly been on notice that Miss C may be at risk of financial harm. And Revolut providing a new payee warning on those payments was sufficient in the circumstances. And where Revolut did intervene, while I find its intervention could have arguably been better, I don't think it would have a material effect on preventing the loss. I'm not as persuaded as I would need to be to safely conclude that Miss C would have answered truthfully or heeded any further warnings or risks that Revolut might have put forward. And this is due to her unfortunately being under the spell of the scammer and following the scammers advice when selecting payment purposes and or providing answers to any further questions / checks by Revolut.

So I can't fairly say that Revolut should be held liable for the losses Miss C incurred.

Miss C has told us about her circumstances around the time of the scam and that she was vulnerable. I'm sorry to hear about this and I understand this must have been a difficult time and she had a lot going on. But the evidence I've seen doesn't suggest that Revolut had been notified of any vulnerabilities or needs prior to the scam, such that it should have known to take additional steps to protect Miss C.

### Recovery of the funds

I have also considered whether Revolut did all it could to try and recover the money Miss C lost. Given Miss C purchased cryptocurrency from individuals and from a cryptocurrency exchange provider, with that cryptocurrency being received by Miss C and then sent on, there wasn't anything that Revolut could do to help recover Miss C's funds.

### Summary

It's very unfortunate Miss C lost her money in this way, and I understand the whole experience must have been deeply upsetting. I do have a great deal of sympathy for her. She was the victim of a cruel scam designed to defraud her of her money when she was seeking to try and earn an additional income. And I appreciate that she's lost out as a result of what happened. But in the circumstances, I don't think I can fairly or reasonably say Revolut are liable in some way. While it could have arguably asked more probing questions in relation to some of the payments Miss C made, I don't think it would have made a material difference here and prevented the loss. And this is because of Miss Cs' belief in the scammer and that she was coached through the payment journeys in order for the payments to be made. So, I don't think it would be fair for me to ask Revolut to refund the loss.

### **My final decision**

For the reasons given above, my decision is that I don't uphold this complaint about Revolut Ltd.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss C to accept or reject my decision before 6 September 2024.

Matthew Horner  
**Ombudsman**