

The complaint

Mr B complains that Revolut Ltd won't reimburse him after he fell victim to a job scam.

Mr B is professionally represented in bringing his complaint to our service, but for ease of reference I'll refer to all submissions as being made by Mr B directly.

What happened

The circumstances of the complaint are well known to both parties, so I won't repeat them in detail here. But briefly, both parties accept that in around January 2023, Mr B's wife, Mrs B, was approached via an instant messaging app by an individual purporting to work for a recruitment company, offering part time roles. As Mrs B had been looking for work online, this did not appear unusual to her. Mrs B expressed her interest and was passed on to another individual who claimed to work for the company offering employment. Unfortunately, unbeknownst to Mrs B at the time, both individuals she'd spoken to were in fact fraudsters.

Mrs B was told the job entailed working for a known firm, finding products and improving sales for them. Mrs B was told she needed to complete 40 'orders per day' and that the daily income for doing so was over £100, plus bonus payments for working consecutive days and additional commission. Mrs B was told the job would take around 20-40 minutes per day to complete.

Mrs B created an account with the firm, as well as separate cryptocurrency accounts. She was told that for some orders, she would need to add funds to her account via cryptocurrency. Mrs B was added to an instant messaging group with other fraudsters posing as employees, where she could see positive posts of them receiving their daily commission. However, when Mrs B attempted to complete her own 40 tasks, she kept receiving requests for further funds to be added to her account, increasing in value each time, then additional tasks were added which Mrs B was told was due to a 'lucky bonus' and additional fees to withdraw her funds.

However, Mr B also made a number of payments from his own Revolut account, which he says were added to his own job platform after also setting up a separate account as part of the scam. Mr B started making payments to his own scam 'account' around two weeks after Mrs B had started – by which point she explains she had already used her life savings, borrowed from family and friends and borrowed the maximum she could on her mortgage.

Unfortunately, Mr B hasn't been able to provide any evidence of his own communications with the fraudster, as he's said this was all conducted through Mrs B's phone. He also said his account on the platform has been deleted and therefore can't evidence this either. However, as this was the same scam as his wife fell victim to, I've relied on her correspondence with the fraudster to obtain an idea of what the fraudster was likely saying to Mr B also.

Mr B began making payments towards the scam in January 2023, sending around £36,000 within five days. However he then made no further payments for almost two months, at which time I understand Mr and Mrs B were attempting to access further funds to complete

their 'tasks' assigned to them in the scam. Payments were mostly smaller in scale until around May, when Mr B started making further large payments, which I understand coincides approximately with when Mr and Mrs B sold their home in order to finish the scam tasks and pay off their debts. In total, Mr B sent over £200,000 from his Revolut account to the fraudsters.

When the fraudster kept asking Mr B to pay further fees and he eventually ran out of money to send, the fraudster stopped communicating with Mr B. At this point he realised he'd fallen victim to a scam. Mr B contacted Revolut to raise a scam claim.

Revolut considered Mr B's claim but said it hadn't been provided with enough information to investigate fully, despite having requested this further information. Mr B remained unhappy and referred his complaint to our service.

An investigator considered Mr B's complaint but didn't uphold it. He thought that Revolut ought to have intervened more than it did to ensure that Mr B wasn't falling victim to financial harm from fraud. However, he thought that even if Mr B had intervened further, based on the available evidence of what Mr and Mrs B told their other banking providers, it was more likely than not that Mr B wouldn't have been honest about the payment purpose and therefore the scam wouldn't have been uncovered.

Mr B disagreed with the investigator's view. He argued that he wasn't tested with being questioned by his banking providers. He said only one credit card provider questioned him when requesting a money transfer and he told them it was to purchase a new vehicle, which he maintains is the true purpose of that transfer.

As Mr B disagreed with the investigator's view, the complaint has been passed 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 Mr B, I'm not upholding his complaint. I appreciate this is a significant amount of money that Mr B has lost – and I haven't reached my decision lightly with these losses in mind, 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 January 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);
- 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.

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

Mr B'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. But regardless of this, I think there were certainly notable indicators that Mr B was at risk of financial harm from fraud here. As mentioned, within the first five days of Mr B opening his Revolut account, he'd sent £36,000 to a cryptocurrency platform and his total losses stand at over £200,000. I accept that when Mr B opened his Revolut account, he noted that one of the reasons for doing so was for cryptocurrency. Nevertheless, I think the volume and value of the payments ought to have concerned Revolut sufficiently to contact Mr B, through human intervention, to ensure he wasn't falling victim to a scam. But had it done so, I'm not persuaded that would have prevented Mr B's losses. I'll explain why.

Mr B has explained he was introduced to the job scam by his wife, who was also falling victim to it at the same time. From the evidence provided, I don't think it's clear whether Mr B was in fact a separate victim to the scam – or whether his losses stemmed from trying to help Mrs B complete her own tasks. Mr B hasn't provided any evidence of correspondence with the fraudster. He says this is because he corresponded through his wife's phone, however Mrs B was able to provide evidence of her own conversations from her phone. Additionally, by the time Mr B says he joined the job scam himself, his wife has already said she'd lost her life savings to the job. I appreciate she also thought she was earning significant sums, but I think it's unlikely that Mr and Mrs B would choose to set up a new set of job tasks, rather than attempt to use funds to complete the ones already started, considering the financial position it had placed them in.

In any event, it seems the two potential scenarios are that Mr B started his own account, aware of the situation his wife was in but believing that there was money to be made from the platform, or helping his wife complete her own tasks for the same reason. Either way, it appears Mr B was equally involved in working towards completing the tasks as Mrs B was.

Mrs B had several conversations with her bank account providers about payments she herself was making. And throughout questioning, Mrs B wasn't honest with the reasons for payments. To one provider, Mrs B explained in detail how she had been trading cryptocurrency for around six months, but using her husband's account, and had now decided to set up her own account for ease. She was asked questions relevant to job scams within the call, but confirmed she had not seen advertisements for job opportunities and had invested before outside of cryptocurrency. Mrs B was read a scam script that covered job scams in some detail, and was also sent the same information by message, which she had to respond to, confirming she understood. The warning explained that the fraudster may ask you to complete tasks - and ask you to send money in order to receive wages – exactly as Mrs B was doing.

Another banking provider also called Mrs B questioning payments she made. Again, she advised she was 'dabbling' in cryptocurrency and that she was only investing money she was willing to lose, but so far, was doing well.

From reviewing the instant messaging conversation Mrs B has provided between her and the fraudster, I can also see that the fraudster was advising Mrs B on what to say (and not say) to her banking providers, including not letting her bank know about the platform she was working on.

In addition to this, I can see Mr B had a call with one of his credit card providers in August 2023, querying a money transfer of £12,770 that had been requested to his Revolut account and blocked. Mr B told his credit card provider that the payment was for a car and has maintained this story to our service. Mr B has provided evidence of issues with his car and a payment made towards a garage.

However, in the call with his card provider, Mr B states he needs his funds today to purchase a car as his car's broken down. But once the funds are released to Mr B's Revolut account, I can see that exactly £12,770 was paid that same day towards cryptocurrency platforms, and the evidence of a payment being made towards a garage that Mr B has provided is dated several months later. I therefore think the evidence supports that Mr B also wasn't honest in his call with his card provider and that this money transfer was to further fund the scam, rather than a new car. Had calls taken place with Revolut during the scam, I therefore think it's more likely than not that Mr B would have concealed the genuine reason for payment to Revolut also.

Therefore, having considered all evidence holistically, while I agree Revolut should've intervened further by calling Mr B during the period of the scam, based on how both Mr and Mrs B responded to calls and intervention attempts from other account providers, there's no evidence that Mr B wouldn't have provided Revolut with a similar story to what his wife told her banking providers – that he was trying out cryptocurrency trading. As Mr B was making payments to genuine cryptocurrency platforms, I can't conclude that Revolut ought to have denied his requests to process his payments on this basis.

I've also considered whether Revolut did enough to attempt to recover Mr B's funds once it was made aware of the scam. However, payments Mr B made went to his own cryptocurrency accounts, before being passed on from there to the fraudster and therefore unfortunately, there is little Revolut can do to recover these funds.

For the reasons I've explained above, while I'm genuinely sorry to hear of the impact this scam has had on Mr B, I can't conclude that Revolut is liable for his losses and it therefore follows that I can't direct Revolut to refund any losses incurred from his account.

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 15 October 2024.

Kirsty Upton
Ombudsman