

## The complaint

Mr W complains that Revolut Ltd did not refund a series of payments he lost to a scam.

## What happened

Mr W was contacted on a messaging service by a recruiter about a job opportunity. The job was fully remote and involved him carrying out a set number of tasks in order to earn commission. He expected to earn around \$500 a session, with additional commission for 'special' tasks. Mr W opened a cryptocurrency account in order to fund this. He also opened an account with Revolut to top up his cryptocurrency wallet. He made the following payments either directly to his cryptocurrency wallet or to individuals for peer-to-peer cryptocurrency purchases:

Payment #	Date	Amount	Method of payment used
1	09/05/2023	39.65	Faster payment outwards
2	09/05/2023	50.50	Faster payment outwards
3	13/05/2023	43.57	Debit card payment
4	13/05/2023	43.57	Debit card payment
5	13/05/2023	47.94	Debit card payment
6	13/05/2023	200.00	Debit card payment
7	13/05/2023	100.00	Debit card payment
8	13/05/2023	50.00	Debit card payment
9	16/05/2023	2,816.09	Debit card payment
10	18/05/2023	1,313.00	Debit card payment
11	18/05/2023	202.00	Debit card payment
12	19/05/2023	1,500.00	Debit card payment
13	19/05/2023	1,515.00	Debit card payment
14	19/05/2023	1,186.75	Debit card payment
15	21/05/2023	1,534.50	Debit card payment
16	21/05/2023	1,023.00	Debit card payment
17	01/06/2023	1,500.00	Debit card payment
18	02/06/2023	1,500.00	Debit card payment
19	02/06/2023	1,500.00	Debit card payment
20	03/06/2023	500.00	Debit card payment
21	04/06/2023	2,000.00	Debit card payment
22	06/06/2023	3,000.00	Debit card payment
23	06/06/2023	2,000.00	Debit card payment
24	07/06/2023	3,200.00	Debit card payment
25	07/06/2023	3,000.00	Debit card payment
26	07/06/2023	2,500.00	Debit card payment
27	07/06/2023	2,500.00	Debit card payment
28	07/06/2023	2,700.00	Debit card payment

Mr W began to get 'combo tasks' from around 14 May that became increasingly expensive. He was finally able to pay these to complete the set required to withdraw his commission, but he was then told his account had been upgraded and he had to complete another five

tasks. Mr W asked to pay in instalments from 20 May onwards to clear the final five tasks.

On 3 June, Mr W's account was frozen and he was told he had to pay \$16,914 to unfreeze it and collect his approximately \$60,000 in commission. Eventually, Mr W was able to pay the fee in instalments however once this was completed he still did not receive his commission. Instead he was told he had to pay a further 10% as a late payment fee as he took so long to pay the fee to unfreeze the account. Mr W attempted to gather the funds for this, but eventually realised he had been the victim of a scam and contacted Revolut to raise a scam claim.

Revolut responded and confirmed they could not retrieve the funds, as they had been used to purchase legitimate cryptocurrency. And they did not think they had made an error when processing the payments, so did not agree to reimburse Mr W. In their business file to our service, they said that Mr W had been grossly negligent when he paid cryptocurrency to third parties to receive funds associated with a job opportunity. And they highlighted that Mr W had expressed concern about the payment of £2,816.09 on 16 May as he felt it was related to a scam. But despite this, he went on to make more payments.

The complaint was referred to our service and our Investigator looked into it. They felt that Revolut should have intervened in the first payment of £1,500 on 2 June 2023, Payment 18, as Mr W selected 'safe account' as the reason for the payment, which is a known type of scam. However, they did not think intervention would have revealed the scam, as Mr W confirmed he had been coached over the phone on what to say to Revolut in order to ensure the payments went through. And they thought it was more likely this would have happened if Revolut had intervened and asked about the purpose of the payments.

Mr W disagreed with the outcome as he felt a manual intervention by Revolut would have revealed the scam, as this was different to answering automated questions about the payments.

As an informal agreement could not be reached, 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.

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 including in relation to card payments);
- 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.

I've reviewed Mr W's statements to see if the scam payments were suspicious enough to warrant intervention from Revolut. Mr W opened his Revolut account in order to facilitate the scam, so there was no genuine account activity that Revolut could compare the scam payments to. And I note the payments started out at a relatively low value, so even though there were a number of payments on 13 May 2023, I don't think they were unusual enough to have warranted intervention from Revolut.

I can see Revolut did refer two payments (18 and 19) of £1,500 on 2 June for checks as they had some concerns about them, so they asked Mr W to select from a drop-down list what the purpose of the payments were. He selected 'safe account' for both of them which is a known type of scam. I therefore think Revolut should have had an increased level of concern about these payments and should have recognised that Mr W may be at risk of financial harm by selecting 'safe account' from the drop-down list. And I think they should have referred him to the in-app chat to satisfy themselves he was not at risk of financial harm before processing the payments.

Mr W has said that he was guided over the phone by the scammer to select 'safe account' to ensure the payment went through, as it was common for banks to block these payments. He has said that he was heavily guided over the phone on how to make the payments, but that had Revolut questioned him about the payments, he would listened to their concerns and this would have prompted him not to carry out any more payments.

I have reviewed all of the chats between Mr W and the scammer, and I can see he was heavily guided at every stage of the scam journey. They instructed him to set up a Revolut account as well as a third-party account with another e-money provider and walked him through how to set up various cryptocurrency accounts, how to make peer to peer cryptocurrency payments and how to make various payments from Revolut. Each payment made in relation to the scam was carefully guided through step-by-step by the scammer, especially the peer-to-peer payments.

When making payments for peer-to-peer cryptocurrency for the scam from his Revolut account, Mr W was instructed by the scammer not to mention crypto platforms, which Mr W did not question. And when Mr W did receive scam warning from Revolut about some of the payments, he was advised by the scammer to ignore these and was convinced the problem was with the payee receiving too many payments into their account, which Mr W accepted. And I can see he was advised to make smaller payments from Revolut and I think it's more likely this was to ensure they were not detected by Revolut's fraud system, which Mr W did.

On balance, had Mr W been referred to Revolut's in-app chat, I think it's more likely he would have been guided by the scammer, just as he had been guided in the other parts of the payment journey in the scam. While I appreciate Mr W's comments that he would have questioned being asked to lie to Revolut, I also have to consider he did not question being told not to mention crypto, to make smaller payments and to ignore earlier scam warnings. I think it's more likely he would have followed the instructions of the scammer which would

have ensured a job scam warning was not warranted.

Based on what I've seen, I do think Revolut should have done a better intervention and referred Mr W to the in-app chat. However, I do not think a better intervention would have broken the spell and revealed the scam. So, I don't think they need to reimburse Mr W in the circumstances.

I've considered if Revolut could have recovered the funds through a chargeback claim. The chargeback scheme is voluntary and run by the card issuers and not Revolut. Its purpose is to resolve disputes between merchants and consumers. In this case, Mr W's dispute is with the scammer and not the merchants, and I note the merchants have provided the service paid for, namely the purchasing of cryptocurrency. So, I don't think there were grounds for Revolut to raise a chargeback claim in the circumstances. And for the peer-to-peer payments, the individual sellers were not part of the scam and appeared to genuinely be providing cryptocurrency which Mr W then sent on to the scammers. So I don't think it would be reasonable for Revolut to try and recover those funds from the sellers.

### **My final decision**

I do not uphold Mr W's complaint against Revolut Ltd.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 13 December 2024.

Rebecca Norris  
**Ombudsman**