

## **The complaint**

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

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

## **What happened**

Miss P has explained that she received contact via an instant messaging app from someone she believed to be offering her a job opportunity (but who was in fact a fraudster). Miss P was told she could earn around €100 a day by completing 38 activities, reviewing products. Miss P was walked through the process with a mentor. She was told that in order to start, she would need to put money in her work account via a cryptocurrency platform, which she did.

Initially when completing the tasks, Miss P said the process worked well and she was able to receive back the money she'd put in, plus some earnings. However, when she tried the following day, Miss P's mentor kept asking her to put more and more funds into her account until finally, she was told that she would need to deposit around £3,889 to clear the negative balance of her account and receive her salary.

Miss P has explained she was worried about losing the money she'd already put towards the job scam, and therefore agreed to make this payment. She was advised this time to make the payment by bank transfer, which she did. Overall, Miss P made the following payments towards the scam:

| Date       | Time  | Payment type                            | Value     | Comments   |
|------------|-------|---|-----------|--|
| 13/03/2024 | 11:44 | Card payment to cryptocurrency platform | £332.52   |  |
| 13/03/2024 | 11:45 | Card payment to cryptocurrency platform | £39.12    | Declined – request to confirm payment was made by Miss P |
| 13/03/2024 | 11:46 | Card payment to cryptocurrency platform | £39.12    |  |
| 13/03/2024 | 13:29 | Card payment to cryptocurrency platform | £117.44   |  |
| 13/03/2024 | 14:08 | Payment transfer to new payee           | £3,889.27 | In-app warning provided                                  |
| 13/03/2024 | 14:19 | Card payment to cryptocurrency platform | £39.12    |  |

However, after Miss P had made this final payment, the fraudster then told her she needed to send a further €17,500. At this point Miss P realised she'd fallen victim to a scam, and contacted Revolut via its in-app chat function to raise a scam claim.

Revolut considered Miss P's claim but didn't consider it was liable to reimburse her. It said that Miss P authorised the transactions, and it did everything it could to recover her funds once it was made aware of the scam. It also said that it initially declined the second payment Miss P made and requested she confirm it was her making the payment, which she did. Revolut also said that when Miss P made the bank transfer payment, it provided her with 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.'*

Miss P disagreed with Revolut's response and referred her complaint to our service. An investigator considered Miss P's complaint but didn't uphold it. He 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 Miss P's usual account activity. He also thought Revolut had done everything it reasonably could have to recover Miss P's funds.

Miss P disagreed with the investigator's view, so 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 P, 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 March 2024 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;
- have acted to avoid causing foreseeable harm to customers, for example by maintaining adequate systems to detect and prevent scams and by ensuring all aspects of its products, including the contractual terms, enabled it to do so;
- 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.

It isn't in dispute that Miss P 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.

I've reviewed Miss P's bank statements for the 12 months leading up to the scam. While Miss P doesn't use her account for cryptocurrency payments, the account is actively used. Based on the value of the cryptocurrency card payments, I don't think Revolut should have intervened any further than it did by ensuring it was Miss P making these payments. I say this as, while cryptocurrency payments are known for carrying a higher fraud risk than other payments, there are still thousands of genuine cryptocurrency payments made daily to genuine cryptocurrency platforms (as this one was). I therefore have to consider that Revolut has a challenging balancing act to protect its customers from financial harm, while not unduly inconveniencing them. Based on the value of these cryptocurrency payments, and Miss P having confirmed it was herself making them, I don't think they posed such a risk of fraud that Revolut ought to have intervened further, prior to processing them.

Moving on to the bank transfer, I can see Miss P used her account for the purpose of making transfers, some similar in size to the transfer she made as part of the scam. While I can see these were usually in order to transfer payments from Pounds Sterling into Euros, I don't think this alone causes the payment she made as part of the scam to be so out of character that Revolut ought to have intervened further than it did. I think the warning Revolut presented is proportionate to the identifiable risk here and I therefore don't think it would be

reasonable to conclude that Revolut should have taken further steps, prior to processing this transfer.

### *Recovery of funds*

Unfortunately, as the majority of payments Miss P made were via genuine cryptocurrency platforms (and from this point, onward to the fraudster), there's little Revolut can do to recover these funds. However, Revolut has provided evidence that, after obtaining requested evidence of the scam from Miss P, it did contact the beneficiary account where her bank transfer was made to. However the beneficiary account provider did not respond to its recovery attempts.

While Revolut is entitled to obtain further information relating to the scam when investigating its own liability, I think it could also have contacted the beneficiary account provider more quickly to raise a scam claim, in an attempt to recover Miss P's funds. However, as the beneficiary account provider failed to respond to Revolut's recovery attempts, I don't think any swifter action here would've aided Revolut in recovering Miss P's lost funds.

### **My final decision**

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss P to accept or reject my decision before 7 October 2024.

Kirsty Upton  
**Ombudsman**