

The complaint

Mr T complains that Revolut Ltd (Revolut) is refusing to refund him the amount he lost as the result of a scam.

Mr T is being represented by a third party. To keep things simple, I will refer to Mr T throughout my decision.

What happened

The background of this complaint is well known to all parties, so I won't repeat what happened in detail.

In summary, Mr T tells us he had recently been made redundant and was interested in obtaining part-time work when he received an unsolicited WhatsApp message from a business claiming to be a legitimate digital healthcare company (X) offering him a position.

Mr T was told he would need to complete various tasks and in return would receive a daily amount plus commission. Mr T did an online search of the company and found a professional legitimate looking website. This built Mr T's confidence that he was being offered a genuine opportunity.

Mr T was required to buy cryptocurrency which he then forwarded to what he thought was his work wallet, but the funds went to X.

As part of the scam Mr T was provided access to what appeared to be a legitimate platform where he could complete his tasks and was also able to make an initial small withdrawal.

Mr T made the following payments in relation to the scam:

<u>Date</u>	<u>Payee</u>	<u>Payment Method</u>	<u>Amount</u>
1 June 2023	Chaim Gruzman	Transfer	£1,797.72
1 June 2023	Noble Trading	Transfer	£1,231.42
1 June 2023	Chaim Gruzman	Transfer	£2,094.00
1 June 2023	CoinPay Sp. Z O.O	Transfer	£3,013.95
2 June 2023	CoinPay Sp. Z O.O	Transfer	£2,943.48
2 June 2023	CoinPay Sp. Z O.O	Transfer	£2,538.51

Our Investigator considered Mr T's complaint but didn't think it should be upheld. Mr T disagreed, so this complaint has 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.

Recovering the payments Mr T made

Mr T made payments into the scam via transfer. When payments are made by transfer Revolut has limited recovery options available to it.

Mr T has confirmed that as part of the scam he was required to purchase cryptocurrency before forwarding it to X, with this in mind there would not be any funds to recover from businesses Mr T made the payments to.

Should Revolut have reasonably prevented the payments Mr T made?

It has been accepted that Mr T authorised the payments that were made from his account with Revolut, albeit on X's instruction. So, the starting point here is that Mr T is responsible.

However, banks and other Payment Services Providers (PSPs) do have a duty to protect against the risk of financial loss due to fraud and/or to undertake due diligence on large transactions to guard against money laundering.

The question here is whether Revolut should have been aware of the scam and intervened when Mr T was making the payments. And if it had intervened, would it have been able to prevent the scam taking place.

The interventions carried out by Revolut were minimal and I think it would be fair to say that Revolut should have done more, but I don't think this would have made a difference. I will explain why.

Mr T initially transferred the funds to his Revolut account from another account he held with Lloyds. On 1 June 2023 a conversation took place between Mr T and Lloyds. As part of our investigation, we have received a recording of this call.

During this call Mr T explained he was attempting to make a transfer from his Lloyds account to his Revolut account. Lloyds explained to Mr T that a payment had been stopped for a security check.

Mr T confirmed he was moving money across to do some shopping and confirmed the payment was being made for "spending". No one had been in contact with him to make the payment, and no one had asked him to lie to the bank about the reason for the payment.

Mr T gave dishonest information to Lloyds. He was making the payment for the purpose of the investment/job he had been contacted about and had been asked to make the payments in relation to this.

Mr T also took out a loan to fund the payments he made in relation to the scam, although he gave the purpose of the loan to be for a car. Mr T again gave dishonest information on this loan application as the funds were used in relation to the scam

Mr T has said that a stronger more tailored intervention would have uncovered the scam. But with the above in mind, even if I accept that Revolut should have provided a stronger intervention than it did at any point in the scam I think it's unlikely that Mr T would have been any more honest in the answers he would have given to Revolut.

Giving dishonest answers to questions designed by Revolut to uncover scams would make it very difficult for it to uncover the scam that was taking place, so I don't think it would be reasonable for me to hold Revolut responsible for Mr T's loss.

Mr T has provided examples of other decisions published by our service in circumstances he believes are like his. But each case is considered on its own merits and for the reasons

given above this does not change my decision.

My final decision

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T to accept or reject my decision before 5 September 2024.

Terry Woodham
Ombudsman