

The complaint

Miss A complains that Revolut Ltd won't refund the money she lost when she was the victim of a scam.

What happened

In April 2023, Miss A was contacted by someone who said they had been given her details by a recruiter and had details of a potential job for her. Miss A replied that she was interest in the job, and was told it involved helping online merchants optimise their products to help boost their exposure on online shopping sites. She was told she would be paid for each set of tasks she completed and that she would be guided through the process.

Miss A was then told to download an app where she could see the current tasks she could complete and the money she had earned. And she was shown how to buy cryptocurrency, which she could use to pay for the tasks she was to complete. Miss A then made a number of payments from her Revolut account to purchase cryptocurrency, which she then sent on to the wallet details she was given for the job.

I've set out the payments Miss A made from her Revolut account below:

Date	Details	Amount
2 May 2023	To 1 st cryptocurrency exchange	£45
4 May 2023	To 1 st cryptocurrency exchange	£120
4 May 2023	To 1 st cryptocurrency exchange	£250
5 May 2023	To 1 st cryptocurrency exchange	£295
5 May 2023	To 1 st cryptocurrency exchange	£400
5 May 2023	To 1 st cryptocurrency exchange	£456
7 May 2023	To 2 nd cryptocurrency exchange	£2,900
9 May 2023	To 2 nd cryptocurrency exchange	£717
10 May 2023	To 2 nd cryptocurrency exchange	£2,500
10 May 2023	To 2 nd cryptocurrency exchange	£2,500
11 May 2023	To 2 nd cryptocurrency exchange	£460
13 May 2023	To 2 nd cryptocurrency exchange	£2,828

Unfortunately, we now know the job was a scam. The scam was uncovered after Miss A was told she had to pay a large amount before she could withdraw the money the app showed she had made. And when Miss A said she couldn't pay any more, the apps customer service agents stopped responding to her. Miss A then realised she had been the victim of a scam, reported the payments she had made to Revolut and asked it to refund the money she had lost.

Revolut investigated but said the time limit for raising a chargeback for the payments had passed when Miss A raised her claim, and that it had not acted unfairly. So it didn't agree to refund the money she had lost. Miss A wasn't satisfied with Revolut's response, so referred a complaint to our service.

One of our investigators looked at the complaint. They didn't think Revolut should reasonably have been expected to prevent the payments Miss A had made. So they didn't think it would be fair to require it to refund the money she had lost. Miss A disagreed with our investigator, so the complaint has been passed to me.

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.

Did Revolut do enough to protect Miss A?

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.

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.

But, even if Revolut had recognised that Miss A was at heightened risk of financial harm from fraud when making some of these payments, I don't think the action I would have expected it to take would have prevented her loss. I'll explain why below.

The first six payments Miss A made as a result of this scam weren't for particularly large amounts. And while they were made to a cryptocurrency exchange and were increasing in size over time, I don't think they were of a significant enough value or formed a suspicious enough pattern that I would have expected Revolut to have recognised that she was at heightened risk of financial harm from fraud as a result of them. And so I don't think Revolut acted unreasonably in not carrying out any further checks and allowing these payments to go through.

I'm satisfied Revolut ought to have recognised that Miss A was at heightened risk of financial harm from fraud by at least the point she tried to make the seventh payment here, for £2,900 on 7 May 2023. This payment was for a significantly larger amount than previous payments

out of her account. At this point, she had tried to make seven payments over six days. The payments were all identifiably related to cryptocurrency, which around this time I think Revolut ought to have recognised carried an elevated risk of the transaction being related to a scam. And the payments were increasing in size over time, which matches a pattern of payments often seen when customers are falling victim to a scam.

I think a proportionate response to the risk I think Revolut should have identified would have been for it to provide Miss A with a written warning about cryptocurrency scams, setting out some of the key features of the scam. But, even if it had done this, I'm not persuaded it would have prevented Miss A's loss.

The communication I've seen between Miss A and the scammer shows they were guiding her through the whole process of purchasing cryptocurrency – including getting her to send them screenshots of every step they were taking and instructing her on what buttons to press. There are several occasions where the scammer tells Miss A to take specific action in order to bypass her banks' security systems and make sure the payments are made. They appear to have told her to mislead her banks about the purpose of several of the payments she was making, which Miss A seems happy to do – even saying at one point that she won't mention the trading if asked. And when she receives a warning from another bank she was sending money from, Miss A sends the scammer a screenshot of it and asks them what to do.

I appreciate Miss A has said she didn't share everything with the scammer and did mention the job to the other bank she sent payments from when she spoke to it in branch. But, from what I've seen, I don't think she explained the job in any detail as she's said she described it as investing in a potential business and the other bank has said it's branch staff wouldn't comment on investment opportunities. So I don't think this is enough to say Miss A would have mentioned the job if asked – particularly when, as I mentioned above, she specifically said that she wouldn't mention it.

Miss A has also highlighted a specific warning she received from the other bank she made payments from, and that she questioned this with the scammer. But the warning doesn't appear to have made her question whether the job or the person she was speaking to were genuine, only whether the cryptocurrency she was buying was genuine. Miss A still sent the scammer a screenshot of the warning, asked them what she should do and then followed their instructions on how to continue.

The scam Miss A was the victim of also wasn't common or well-known at that point and was a very specific type of employment or advance-fee scam. So I wouldn't have expected the warning Revolut gave to specifically highlight the key features of this kind of scam or to give specific advice on any steps Miss A could take to check whether what she was being told was genuine. And so I don't think it's likely the warning I would've expected Revolut to provide would've seemed particularly relevant to Miss A, and I think it's unlikely it would have resonated with her or impacted her decision about whether to continue making the payments.

Her communication with the scammer also suggests Miss A spoke with her father about what she was doing, and he said he didn't trust the job and that it could be a scam. But Miss A continued to communicate with the scammer and the app's customer service agents, and tried to log-in and carry out more work on the app after this.

So I'm not persuaded that any warning I would have expected Revolut to show would have caused her to stop following the scammer's instructions and not make the payments. Even if Revolut had shown the warnings I would've expected it to in these circumstances, I think Miss A would likely still have continued to make the payments she did here. And so I don't

think anything I would reasonably have expected Revolut to have done ere would have stopped Miss A from making the payments or losing the money she did.

I appreciate that Miss A has been the victim of a cruel scam and that my decision will come as a disappointment to her. She has lost a significant amount of money and I sympathise with the position she has found herself in. But I can only look at Revolut's responsibilities and, for the reasons I've set out above, I don't think anything I would reasonably have expected it to have done would have prevented the loss she suffered. And so I don't think it would be fair to require Revolut to refund the money Miss A has lost.

Did Revolut do enough to recover the money Miss A lost?

Once they have been notified of a scam, we expect businesses to take reasonable steps to try to recover any money their customers have lost – including making use of any available chargeback scheme. So I've also considered whether Revolut did enough to try to recover the money Miss A lost.

A chargeback is a voluntary process by which a bank can dispute a card payment made by one of its customers to a merchant. But the rules about the reasons why a payment can be disputed and the time limits for raising any dispute are set out in the chargeback scheme rules – which the bank must follow. And we'd only expect a bank to carry out a chargeback where there was a reasonable chance of it being successful.

Revolut has said it couldn't carry out a chargeback here as the time limit set out in the chargeback scheme rules had passed before Miss A raised her claim. And I appreciate that Miss A has said her claim was only raised after the time limit had passed due to delays by Revolut. But even if her claim had been raised in time, I don't think it would likely have been successful.

A chargeback allows card payments to be disputed with the merchant who took the payment – which in Miss A's case is the cryptocurrency exchanges she made the card payments to. But the cryptocurrency exchanges she made the card payment to are legitimate companies. And it appears that Miss A received the cryptocurrency her payments were made to purchase, before sending it on to the wallet details for the job she thought she was doing. So the cryptocurrency exchanges don't appear to have been involved in the scam and don't appear to have done anything wrong. And so I don't think any chargeback claims against the cryptocurrency exchanges would likely have been successful, and I don't think Revolut has acted unreasonably in not carrying out a chargeback against these companies.

My final decision

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss A to accept or reject my decision before 21 February 2025.

Alan Millward
Ombudsman