

The complaint

Ms N complains that Revolut Limited won't reimburse her for money she lost in a scam.

Ms N is represented by a professional representative, but I'll just refer to Ms N for ease of reading.

What happened

I've summarised what I consider to be the key circumstances surrounding this complaint.

Ms N says she received a message on her mobile phone from an unknown number from a person claiming to be a recruiter. Ms N had dealt with online recruiters before and so wasn't that surprised by this contact. She responded and was given details about a job, being told that it involved working remotely with a digital marketing agency to rate applications to boost their visibility in app stores. She says she did some research, looking at the company website and was satisfied this was a genuine opportunity.

After further contact with the scammer, Ms N set up an account with the scam company. The scammer explained that she would be given tasks to complete that would generate commission, but some tasks would cause the account balance to turn negative and required Ms N to deposit money into the account. Any money deposited could be withdrawn, along with any commission earned. Ms N was required to make small deposits to begin with, but these quickly escalated, and she found she was unable to make withdrawals from the account.

Mr N made the following payments, which she says were paid as part of this scam.

Payment	Date	Payment type	Amount
1	18/06/2023	Card payment to own cryptocurrency account	£65
2	18/06/2023	Card payment to own cryptocurrency account	£15
3	20/06/2023	Card payment to own cryptocurrency account	£475
4	20/06/2023	Card payment to own cryptocurrency account	£1035
5	20/06/2023	Card payment to own cryptocurrency account	£15
6	20/06/2023	Card payment to own cryptocurrency account	£400
7	20/06/2023	Card payment to own cryptocurrency account	£555
8	21/06/2023	Card payment to own cryptocurrency account	£945
9	21/06/2023	Card payment to own cryptocurrency account	£110
10	21/06/2023	Card payment to own cryptocurrency account	£3.15
11	29/06/2023	Bank transfer	£1075
12	15/07/2023	Card payment to own cryptocurrency account	£1200
13	15/07/2023	Card payment to own cryptocurrency account	£250
14	21/07/2023	Card payment to own cryptocurrency account	£1168

Ms N says she received a notification from her cryptocurrency provider after she made payment 8 and transferred the £945 to the scammer. The cryptocurrency account provider appears to have requested Ms N send it the URL of the platform that was receiving the

payment from her. Ms N contacted the scammer to ask how to respond to this and was told to provide an inaccurate answer to the cryptocurrency provider.

On 21 June 2023, Ms N contacted Revolut to report that payments 1-10 had not been authorised by her and she didn't recognise the transactions. She said her phone had been stolen and she had found it in her garden and when she did, she noticed the transactions. Revolut temporarily restricted her account while it investigated. On 23 June 2023, Revolut concluded that there was no evidence her card had been used without authorisation and declined her claim for a refund of these transactions.

Eventually, Ms N realised that she had been scammed and reported it to Revolut on 25 July 2023. She said she had authorised all of the transactions but had been tricked into doing so by the scammer. Revolut didn't refund her money.

Ms N says that while the payments started off as relatively low value, payments to a cryptocurrency account were not usual activity for her account and she thinks Revolut ought to have intervened to block the transactions. The payments escalated in value and more or less drained her account. She says if Revolut had intervened, with a phone call or in-app chat then she wouldn't have continued with the transactions.

Revolut said the payments were not suspicious or unusual. It provided proportionate warnings when payments were made to new payees.

Our investigator said he didn't think the transactions were particularly unusual or suspicious. The payments were relatively small and Ms N was provided with warnings when setting up new payees. He was satisfied Revolut took appropriate steps to try to recover Ms N's money, but its attempts to chargeback the card payments were not successful. And the money sent by bank transfer had already been moved on when the scam was reported.

Ms N didn't agree. She thought Revolut ought to have intervened by the time of the seventh payment as she had made five payments to the same payee on the same day by that point, with a cumulative value of almost £2,500. This pattern of payments was suspicious and she felt Revolut ought to have intervened.

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 June and July 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); and
- 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.

Having considered the circumstances of Ms N's complaint carefully, I'm not upholding her complaint.

There is no particular point at which I consider Revolut ought to have intervened in these transactions but failed to do so.

The account appears to have been used for everyday spending, with frequent individual payments ranging from less than one pound to several hundred pounds. Whilst it would have been apparent to Revolut that the payments in question were being sent to a cryptocurrency account, the amounts involved were relatively small, particularly at the start, and wouldn't, in my view, have been sufficient to have caused Revolut any particular concern.

Revolut did intervene on 20 June 2023 by declining a card payment of £475 to Ms N's cryptocurrency account. It says it messaged her and asked whether she had authorised this transaction and she confirmed that she had. A subsequent payment for £475 was then successful. Given the relatively low value of the payments, I consider that was proportionate. Whilst a number of payments were made over the next two days, they were for relatively small amounts, ranging from £3.15 to £1,035. I'm not persuaded, overall, that the pattern, size, frequency and other factors were sufficient that it ought to have prompted Revolut to intervene further.

Ms N reported all the transactions as unauthorised on 21 June 2023. Revolut satisfied itself that these transactions were authorised and I consider this was a reasonable conclusion for it to reach, based on the evidence it had. On that basis, I don't think it had reason to suspect that fraud had taken place on Ms N's account.

There were several declined payments from 20 June 2023 onwards, but I don't think this ought to have raised suspicions or prompted intervention. From 20-23 June 2023, Revolut was investigating Ms N's claim that she hadn't authorised transactions. The transactions that were blocked were largely due to insufficient funds being in the account, card limits having been reached, or due to a temporary block Revolut had placed on the account from 20-23 June 2023 while it was investigating the alleged unauthorised transactions. Some payments appear to have been reverted by the merchants involved for reasons which Revolut says it was unaware.

Transactions after 21 June 2023 were less frequent and were for relatively small amounts, the highest payment being £1,200. I don't consider these were sufficiently unusual to have prompted intervention.

Even if I thought Revolut should have intervened, as Ms N suggests, on 20 June 2023, I'm not persuaded this would have prevented the scam.

I consider proportionate intervention would have been a written warning covering the main scam risks. I don't think this would have dissuaded Ms N though because I don't think such a warning would have covered the circumstances of this particular scam – paying money to earn money through an online job.

Ms N also appears to have been contacted by her cryptocurrency provider and asked for further information about the destination of one of the payments she was making. The copies of the messages between Ms N and the scammer suggest Ms N asked the scammer how to respond to the cryptocurrency provider's enquiries and that she did so by providing an inaccurate answer. Had Revolut similarly intervened, I'm not persuaded Ms N's responses would have been any more accurate, as it seems likely she would also have asked the scammer how to respond and the scammer would have likely directed her to provide inaccurate information designed to conceal the scam.

Recovery

It appears Revolut attempted to chargeback the transactions, but as the payments were successfully completed and payment was made to accounts in Ms N's name, these chargebacks were unsuccessful. The money sent by bank transfer appears to have been moved from the account with the receiving bank before Revolut was notified of the fraud and so recovery was unsuccessful. I'm satisfied Revolut took appropriate steps to recover Ms N's money.

Overall, while I'm sorry Ms N has been the victim of a cruel scam, I'm not persuaded Revolut is responsible for her loss.

My final decision

I don't uphold Ms N's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms N to accept or reject my decision before 24 March 2025.

Greg Barham
Ombudsman