

The complaint

Mr A complains that Revolut Ltd won't refund several payments he says he made and lost to a scam.

What happened

The background to this complaint is well-known to both parties, so I won't repeat it in detail here. But in summary and based on the submissions of both parties, I understand it to be as follows.

Mr A complains that from July 2023 he made 40 payments to what he thought was a legitimate job.

Mr A says he was contacted on a third-party messaging service and offered an opportunity to work and earn money completing tasks.

Mr A says that he started to send money and complete tasks, but it was when he tried to withdraw his money that he realised he'd been scammed. So, he logged a complaint with Revolut.

Mr A also sent payments from another third-party bank account of his, and that complaint is also with our service.

Revolut looked into the complaint but didn't uphold it. It didn't think it had done anything wrong by allowing the payments to go through and also couldn't complete a full investigation due to a lack of information from Mr A. So, Mr A brought his complaint to our service.

Our investigator looked into the complaint but also didn't uphold it. As Mr A didn't agree with the investigator's view, the complaint's 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.

Having done so, I've come to the same outcome as the investigator for largely the same reasons. I'll explain why.

I'm very aware that I've summarised this complaint briefly, in less detail than has been provided, and in my own words. No discourtesy is intended by this. Instead, I've focussed on what I think is the heart of the matter here. If there's something I've not mentioned, it isn't because I've ignored it. I haven't. I'm satisfied I don't need to comment on every individual point or argument to be able to reach what I think is the right outcome. Our rules allow me to do this. This simply reflects the informal nature of our service as a free alternative to the courts.

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, regulator’s 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 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.
- 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 multistage fraud by scammers, including the use of payments to cryptocurrency accounts as step to defraud consumers) and the different risks these can present to consumers, when deciding whether to intervene.

Revolut did intervene on the second payment Mr A tried to make to the scammer. Mr A told the advisor the payment was for an investment, which wasn’t accurate. Mr A then got some further questions and a number of warnings based on the answers he gave. At no point during this conversation did he tell the advisor he was sending money for a task-based job or that he’d selected the wrong payment purpose.

Mr A’s representative has said the Revolut advisor could’ve asked more detailed questions. Although I agree the line of questioning could’ve been stronger, I’m not convinced it would’ve likely made a difference in the circumstances of this scam. I say this as Mr A clearly wasn’t being accurate or forthcoming with his answers and has himself said he was being coached by the scammer with what to input on the payment system. So, I’m convinced that Mr A would’ve been able to get through any further questioning without alerting the Revolut advisor that he may be at risk of financial harm.

Following this payment, Mr A was asked a number of times for a payment purpose for other transfers and chose a mixture of investment, cryptocurrency and goods and services. Mr A then got a number of warnings based on the payment purpose he chose.

I do understand Mr A was being coached by the scammer, and this is why he may have been answering some of the questions as he did, but in doing so, he made it difficult for Revolut to establish the true purpose of the payments.

I think it’s important to highlight that there are many payments made by customers each day and it’s not reasonable to expect an EMI to stop and check every payment instruction to try

to prevent fraud or financial harm. There's a balance to be struck between the extent it intervenes in payments to protect customers and not unnecessarily disrupting legitimate payment instructions.

Recovery

I've also looked at whether Revolut took the steps it should have once Mr A contacted them to dispute the payments.

After the payments were made, I couldn't reasonably expect Revolut to have done anything further until Mr A alleged to Revolut that he had been scammed.

As some of the money was sent to a wallet in Mr A's name and then sent to the scammer before Mr A reported it, Revolut wouldn't have been able to recover any of the funds.

The rest of the payments were either "*Push to Card*", where there is no clear mechanism for a successful recall, or transfers. Mr A reported the scam some weeks after the last payment was made, which in my view was too late. I say this as from what we know about scammers, they tend to move the money on quickly and not uncommonly within the first 24 hours to other accounts.

So, I haven't found Revolut have made in errors in relation to the recovery of the money.

Mr A feels that Revolut should refund the money he lost due to the scam. I understand that this will have been frustrating for him, but I've thought carefully about everything that has happened, and with all the circumstances of this complaint in mind, I don't think Revolut needs to pay Mr A any compensation. I realise this means Mr A is out of pocket and I'm really sorry Mr A's lost this money. However, for the reasons I've explained, I don't think I can reasonably uphold this complaint.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 06 April 2025.

Tom Wagstaff
Ombudsman