

The complaint

Mrs M complains that Revolut Ltd hasn't refunded the money she lost when she fell victim to a scam.

What happened

Mrs M is represented in this complaint by a claims management company, for simplicity I will refer to Mrs M throughout this decision, even when referencing what her representatives have said on her behalf.

Mrs M was contacted on a mobile messaging service by someone saying they had a job offer for her. Mrs M was told this job was to do with providing online reviews to help products sell. Mrs M would need to complete a set number of 'tasks' a day to earn commission. Mrs M agreed to take the job and was provided with some training and added to a group chat with others claiming to do the same work. Mrs M says she searched for information about the company she believed she was working for and was satisfied it was legitimate. Unfortunately, and unknown to her at the time, Mrs M was dealing with a scammer, there was no legitimate job.

Initially, the scammer appeared to have deposited funds in Mrs M's account on the job platform, which allowed Mrs M to complete her first sets of tasks. Mrs M was also able to make an initial small withdrawal from the platform of £100. But after that point Mrs M was asked to deposit increasingly large amounts into the job platform – by buying cryptocurrency and then passing it on to the scammer – but was not able to withdraw any of her 'profit'.

Over the course of around a week Mrs M made multiple payments to the scam from her account with Revolut:

Payment	Date	Time	Amount (including fees)	Payee
Payment 1	28/10/2023	20:18	£150	Card payment to cryptocurrency wallet
Payment 2	28/10/2023	20:59	£100	Card payment to cryptocurrency wallet
Payment 3	29/10/2023	12:09	£180	Card payment to cryptocurrency wallet
Payment 4	29/10/2023	14:27	£1,334.37	Push-to-card transfer to a third party
Payment 5	29/10/2023	17:34	£2,800	Push-to-card transfer to a third party
Payment 6	30/10/2023	09:38	£1,120.69	Card payment to cryptocurrency wallet

Payment 7	02/11/2023	13:47	£4,900	Card payment to cryptocurrency wallet
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When Mrs M was told she'd need to deposit £13,000 before she could withdraw her money, she realised she had been the victim of a scam. On 28 November 2023 Mrs M reported the matter to Revolut.

Revolut looked into what had happened, but declined to refund any of Mrs M's loss. It said that it had taken appropriate steps to intervene in the payments Mrs M had made, and had not been able to recover any of her loss. Mrs M didn't accept this, so she referred her complaint to our service.

One of our Investigators looked into her complaint. They thought Revolut should have taken steps to intervene further at the time of Payment 4, but they did not consider that any proportionate intervention at that stage would have stopped the scam. They said this was because Mrs M was following the guidance of the scammer and so was not answering the questions Revolut put to her honestly.

Mrs M remained unhappy, so her case has now been referred to me to reach 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 reached the same overall outcome as the investigator, I'll explain why.

It's not disputed that Mrs M authorised the payments that are the subject of this complaint. So as per the Payment Service Regulations 2017 (which are the relevant regulations in place here) that means Mrs M is responsible for them. That remains the case even though she was the unfortunate victim of a scam.

Because of this, Mrs M not automatically entitled to a refund. Nonetheless, the regulatory landscape, along with good industry practice, sets out a requirement for account providers to protect their customers from fraud and financial harm. And this includes monitoring accounts to look out for activity that might suggest a customer was at risk of financial harm, intervening in unusual or out of character transactions and trying to prevent customers falling victims to scams.

Taking the above into consideration, I need to decide whether Revolut acted fairly and reasonably in its dealings with Mrs M, or whether it should have done more than it did.

In this case, I agree with our Investigator that the first three payments Mrs M made to the scam from her Revolut account were not unusual or out of character enough to have merited direct intervention from Revolut. These payments were relatively low in value, and while they were identifiably to a cryptocurrency platform, that was not unusual activity for Mrs M, she had made numerous payments to cryptocurrency platforms in the past. So, there was nothing about these payments that I think should have caused Revolut any particular concern.

Mrs M then made a push-to-card payment to a third-party account. As this was a new payee Revolut showed her its new payee warning, and then went on to ask Mrs M some questions

about the payment she was making. Mrs M said that the payment was to transfer funds to one of her accounts at another bank and confirmed that nobody was assisting her through the questionnaire or telling her what options to choose. Revolut then allowed this payment to go through. I think it is arguable that Mrs M's answers here should have caused Revolut some concern. Specifically, Mrs M had said she was making this payment to another account in her name, but it was identifiably going to an account in the name of a third party, contradicting what Mrs M had said. So, I do think that it would have been proportionate for Revolut to take further steps to question Mrs M about what this payment was for and where it was going.

However, with all I've seen, I'm satisfied that any further proportionate intervention from Revolut at the time of Payment 3 (or any later payment) would not have stopped Mrs M from proceeding with the payments. I say this because Mrs M does not appear to have been honest with Revolut throughout the payment journey about what she was making payments for. Mrs M told Revolut that she was making Payment 3 to one of her own accounts, which was not true. She also told Revolut that she was not being guided through the questionnaire, and she has now told us this also was not true. Mrs M has said that in fact the scammer told her what to say if she was questioned about the payments she was making.

Specifically, Mrs M has said she was told to say she was transferring funds to her own cryptocurrency account. If she had told Revolut this, I would have expected it to take steps to narrow down the potential scam Mrs M could be falling victim to. But given that she was being guided by the scammers, I think on the balance of probabilities it is unlikely that she would have said she was making payments as part of a 'job'. I think I must also bear in mind that, given Mrs M's previous experience with cryptocurrency, it is likely that her claim to be sending funds to her own cryptocurrency account would not have raised any particular red flags with Revolut.

And so based on what it was told – and therefore what Mrs M would likely have continued to tell it the payments were for – any warning from Revolut would likely have focused on cryptocurrency investment scams, or safe account scams, which would not have been relevant to Mrs M's actual situation and so would be unlikely to have raised a red flag for her. I note Mrs M's representative has said Revolut should have called her, and that had it done so the scam would most likely have been uncovered. However, Revolut is not set up to telephone a consumer every time there is a concern about a payment, and their response to a suspicious transaction has to be proportionate to the risk involved. On balance, I don't think any of the payments Mrs M made were so concerning that they warranted Revolut going outside its normal protocol of an in-app chat.

With this in mind, I don't consider that Revolut missed an opportunity to protect Mrs M from this scam or to prevent her loss.

I've also thought about whether Revolut did all it could to try to recover Mrs M's funds when she told it of the scam. But given that the payments Mrs M made were to either purchase cryptocurrency directly, or via peer-to-peer cryptocurrency purchase, I don't consider there is anything Revolut could have done to recover those funds.

I'm sorry to disappoint Mrs M as I know that she has lost a significant amount of money. But, overall, I'm satisfied that any reasonable, proportionate intervention from Revolut would not have prevented Mrs M from making further payments to the scam. It follows that I don't think Revolut is liable for her loss and won't be asking it to refund any of her losses.

My final decision

I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs M to accept or reject my decision before 17 October 2024.

Sophie Mitchell
Ombudsman