

The complaint

Mrs M, via a representative, complains that Revolut Ltd (“Revolut”) have failed to refund the money she lost as part of a fake job scam.

What happened

The details of this complaint are well known to both parties, so I will not repeat everything again here. Instead, I will focus on giving the reasons for my decision.

In summary though, Mrs M was contacted via a messaging service by a scammer that I will call C. C persuaded Mrs M that they worked for a company that I will call B that would pay her for completing a series of tasks online. Periodically, while completing these tasks, she was asked to “top up” her account by paying B.

Mrs M then made 13 transactions totalling over £20,000 via transfer, directly to other bank accounts, which seem to have been peer to peer crypto payments, and then a number of card payments directly to a crypto exchange. My understanding is that the funds were then sent to B. Mrs M also sent funds from her other account provider to B.

When Mrs M attempted to withdraw the “income” that she could see on B’s ‘platform’, she was told that she had to pay additional fees to clear a negative balance which would allow her to withdraw the “income” she had earned. At this point Mrs M realised that she had been scammed.

I issued a provisional decision on 3 October 2024 in which I said the following;

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

It isn't in dispute that Mrs M authorised the disputed payments she made from her Revolut account. The payments were requested by her using her legitimate security credentials provided by Revolut, and the starting position is that Revolut ought to follow the instructions given by their customers in order for legitimate payments to be made as instructed.

However, I've considered whether Revolut should have done more to prevent Mrs M from falling victim to the scam, as there are some situations in which it should reasonably have had a closer look at the circumstances surrounding a particular transaction. For example, if it was particularly out of character.

The payments that appear to be peer to peer crypto payment were not large enough to have prompted an intervention from Revolut. I don't think that the pattern of payments was indicative of a scam either. The payments may have been made to a peer-to-peer crypto platform, so were linked to crypto, but my understanding is that Revolut would not have been aware that they were crypto linked So overall I don't think that Revolut needed to intervene on these payments.

Revolut intervened on the first payment to the crypto exchange and asked some online questions about what it was for. It then provided a general warning about crypto scams. I think it did enough in relation to this payment.

When Mrs M made a payment the following day to the same exchange, I agree with the investigator that Revolut should have asked further questions and provided a tailored warning. That said though, given the way the Mrs M answered questions in a phone call about the payments with her other current account provider, I don't think that Mrs M would have answered the questions in a way that would have allowed Revolut to issue a warning specifically about job scams. I say this because when questioned about the payments from her other current account provider, she said that she was trading in crypto currency and was investing, after doing her own research. Had she answered Revolut's questions the same way I think that she would have been provided with a warning about crypto investing scams rather than job scams. So I don't think that this would have stopped Mrs M from continuing to make payments as she had already received a warning about scams of this nature and continued to make payments regardless of this.

I also think that Revolut should probably have intervened later in the scam as the volume and pattern of payments is indicative of someone who is being scammed - even if the funds were going to a crypto account in Mrs M's own name. But again, I think that had further interventions happened, I don't think that they would have uncovered that Mrs M was involved in a job scam given the answers she provided to her other account provider. So I don't think that scam would have been uncovered or stopped.

I note that Mrs M's representative has said that she did not provide misleading answers to her other account provider and it was a misunderstanding. I have carefully considered this and I am satisfied that she did provide misleading answers. She said she was making a crypto investment and was trading in crypto when she was actually paying money to 'unlock earnings' from a job. Mrs M said she discovered the investment opportunity on two well know online trading companies and from an advert in HSBC's app - when in fact she was directly messaged and offered an online job via a messaging company. Mrs M also said that she was not acting on the advice of a third party. Whereas she was making payments and setting up accounts on the advice of the scammer. I accept that there is a possibility that Mrs M did not do this intentionally, but either way, had she answered questions about the payments from Revolut in the same way, she would not have on balance been provided with a job scam warning.

Taking everything into consideration, I think that Revolut should have intervened more than it did. But even if it had intervened further, I don't think the scam would have been stopped. I've also thought about whether Revolut could have done more to recover the funds after Mrs M reported the fraud.

Revolut are under no obligation to refund the money to Mrs M under the Contingent Reimbursement Model (CRM) Code as Revolut are not signed up to the code. I also can see that in relation to the transfers to other accounts, Revolut says it contacted the receiving banks to recover the funds, but given the timescales involved before the scam was reported, my understanding is that there were no funds to recover by that stage. So I don't think Revolut could have recovered the funds via other means.

I appreciate this will likely come as a disappointment to Mrs M, and I'm sorry to hear she has been the victim of a cruel scam. However, I'm currently not persuaded that Revolut can fairly or reasonably be held liable for her loss in these circumstances.

Revolut did not provide any new points in response to my provisional decision. Mrs M's representative did respond and raised a number of points. These included;

- Revolut should have intervened more than it did and it should have asked open and probing questions and this would have stopped the scam
- Mrs M did not intentionally mislead her other current account provider and it was a misunderstanding
- I should not use Mrs M's interaction with her other account provider to justify Revolut's lack of intervention.

I have already addressed these points in my provisional decision but I will address them briefly again.

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.

I agree that Revolut should have intervened more than it did but as stated above, I don't think that Mrs M would have been forthcoming with what she was doing.

I accept that there is no evidence of coaching in the chat we have been provided between Mrs M and C. But, from the calls I have listened to it is clear, in my view, that she misled her other account provider. Again, it is possible that this was unintentional though I think that it is more likely that this was done intentionally in an effort to make sure the payments went through. I think it likely albeit on balance, that any questioning by Revolut would have gone the same way, which in turn means I don't think that the scam would have been uncovered or stopped regardless of any intervention from Revolut.

To clarify, I am not saying that Revolut was justified in not intervening, I am saying any intervention would on balance have not been successful taking into consideration the evidence that I do have.

So overall I think that Revolut should have intervened more than it did, but I remain of the opinion that this would not have stopped the scam. It follows then that I do not uphold this complaint.

My final decision

My final decision is that for the reasons set out above and in my provisional decision that 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 19 November 2024.

Charlie Newton
Ombudsman