

The complaint

Miss G has complained that Revolut Ltd (“Revolut”) didn’t protect her from falling victim to an employment-related cryptocurrency scam.

What happened

The background of this complaint is already known to both parties, so I won’t repeat all of it here. But I’ll summarise the key points and then focus on explaining the reason for my decision.

Miss G has used a professional representative to refer her complaint to this service. For the purposes of my decision, I’ll refer directly to Miss G, but I’d like to reassure Miss G and her representative that I’ve considered everything both parties have said.

Miss G has explained that she found an employment opportunity online for a part-time data entry role. As she says she’s got experience in this type of role, Miss G expressed an interest in the role and was contacted by an individual (“the scammer”) from the alleged employer. The scammer explained to Miss G that the role entailed reviewing products for a well-known department store, and she’d be paid a base salary in return, plus 25% of the value of the reviewed product in commission.

Miss G says she was given access to a platform where she’d be required to complete the reviews, and she was told that she’d need to fund her work account using cryptocurrency in order to purchase “review packages” so that she could complete review tasks and earn money.

Miss G says that after completing the first few reviews she was given the opportunity to complete reviews worth a higher commission rate, but this “review package” would cost more to initially purchase. Miss G funded her account sufficiently to cover this cost, but she says that when she was presented with another one costing even more, she realised she’d been scammed.

In total Miss G made seven debit card payments to fund her account held at a cryptocurrency exchange platform, before converting the pounds into cryptocurrency and forwarding it on to the scammer, allegedly to purchase the review packages.

The debit card payments Miss G made were as follows:

Date	Amount (£)
30/06/2023	44.96
01/07/2023	73.59
01/07/2023	426.29
01/07/2023	1,151.46
01/07/2023	15.00
03/07/2023	2,000.00
03/07/2023	1,459.50

Total	5,170.80
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Miss G made a complaint to Revolut in which she said that it hadn't questioned the nature of the payments or blocked any of them from being made. She said if Revolut had asked sufficiently probing questions it would've uncovered the scam and prevented the losses she encountered. Revolut didn't uphold Miss G's complaint so she referred it to this service.

Our investigator considered everything and didn't think the complaint should be upheld. He explained that he didn't think Revolut ought to have been suspicious of the first six payments Miss G made. He thought Revolut should've given Miss G a warning before payment seven was made – but he didn't think it made a difference that Revolut hadn't done that, because he didn't think it would've resonated with Miss G as she was “under the spell” of the scam and would've therefore most likely dismissed it.

As Miss G didn't accept the investigator's opinion, the case has been passed to me to make a 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.

I'm sorry to disappoint Miss G but having considered everything I'm afraid I'm not upholding her complaint, broadly for the same reasons as our investigator, which I've set out below.

In broad terms, the starting position is that a firm is expected to process payments and withdrawals that its customer authorises, in accordance with the Payment Services Regulations and the terms and conditions of the customer's account. And in this case it's not in question whether Miss G authorised these payments from leaving her account. It's accepted by all parties that Miss G authorised the debit card payments, and Revolut allowed the payments to be made, in line with the terms and conditions of Miss G's account.

But that doesn't always mean that the business should follow every payment without asking further questions or intervening to ensure requests coming from their customers are firstly genuine, and secondly won't result in harm.

I've carefully considered the values and the pattern of the card transactions Miss G made, and having done so, I don't think Revolut ought to have intervened before it allowed the first six to be made.

I say this because having reviewed Miss G's account activity I can see she was using her debit card regularly in the months preceding these payments. The amounts are generally in line with the other payments on the account, and although there are some transactions that fall outside of what I'd consider to be everyday spending, I don't think they're sufficiently large or out of character that Revolut should've been concerned about them. I say this because Miss G had previously made a transaction to a different cryptocurrency exchange, and she'd also already made several smaller payments to the cryptocurrency exchange in this complaint before making the larger payments to it.

I'm also mindful that although these transactions were identifiably made to a cryptocurrency exchange. This doesn't mean Revolut ought to have known they were the result of Miss G falling victim to a scam. But it does mean that Revolut could've taken proactive steps to prevent financial harm to Miss G.

Miss G made two larger transactions on the 3 July 2023. Given the total value of these payments, and the fact that the payments were being made to a well-known cryptocurrency platform, I think it would've been proportionate for Revolut to intervene by giving Miss G a warning before the second of the day (payment seven) was made. Given the prevalence of cryptocurrency investment scams by the time these payments were made, Revolut should've identified that Miss G might've been at risk of harm and done more to prevent that.

But even if Revolut had intervened and given Miss G a warning about cryptocurrency investment scams – as I'd have expected it to – I don't think that'd have prevented Miss G from making the payment in this case.

I say this because the scam Miss G fell victim to related to a fraudulent employment opportunity, rather than a cryptocurrency investment. But as the transactions were debit card payments, Revolut didn't know much about Miss G's reason for making them, other than the retailer they were being made to. It therefore would've been reasonable for Revolut to give a general warning about common cryptocurrency investment risks.

As Miss G believed she was making these payments in order to work, I don't think a warning about cryptocurrency investment risks, no matter how specific, would've resonated with her in this instance. And for this reason, even if Revolut had intervened, I don't think the outcome for Miss G would've been different, as I'm persuaded she'd still have made the payment in order to carry on working, despite any warnings she may've been shown.

Overall, whilst I think Revolut should've done more to intervene before payment seven was made, I don't think Miss G has lost any more money than she otherwise would have as a result of Revolut not doing that. So I'm not holding Revolut accountable for repaying any of Miss G's losses.

I've also thought about whether Miss G did enough to satisfy herself that the job opportunity she was allegedly sending money to take part in was genuine and wouldn't result in her losing that money.

I accept that Miss G had recently been searching online for an additional job, but it's very unusual for a recruiter to offer a prospective candidate a job through a messaging app, without having ever spoken to them. I'm also not aware that Miss G received any kind of paperwork or employment contract showing what she thought she'd been offered, or what she'd agreed to do in return. This, as well as having to pay to earn money, isn't a plausible scenario.

Recovery of the funds

In this case the payments were made using Miss G's debit card. So the chargeback process is relevant here. In simple terms a chargeback is a mechanism for a consumer, via their card provider, to reclaim money from a retailer's bank when something has gone wrong, provided the transaction meets the eligibility criteria. It's for the card provider to decide whether to raise a chargeback, and it only needs to do so if it has a reasonable prospect of success.

It's also relevant to note that raising a chargeback isn't a legal right, and it's for the debit or credit card provider to decide whether to make a chargeback request to the retailer's bank. The process for managing these claims is determined by a set of rules by the card payment networks (Visa in this case) and there are no guarantees the card provider will be able to recover the money through the chargeback process.

Revolut says it raised chargeback claims for all of the payments, but these were unsuccessful. It was advised that it didn't have chargeback rights in this case as the debit

card payments were effectively used to purchase money, as they were used to fund Miss G's cryptocurrency account. As this was completed as expected, the merchant fulfilled its obligation to provide what Miss G paid for. So there's nothing else I'd have expected Revolut to do here as there was no realistic prospect of pursuing a successful chargeback.

I'm very sorry that Miss G has fallen victim to this scam and I do understand that my decision will be disappointing. But for the reasons I've set out above, I don't hold Revolut responsible for that.

My final decision

I don't uphold Miss G's complaint against Revolut Ltd.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss G to accept or reject my decision before 20 November 2024.

Sam Wade
Ombudsman