

## **The complaint**

Ms M complains that Revolut Ltd won't refund money she lost when she fell victim to an employment scam.

Ms M is being represented by a claims management company in this complaint.

## **What happened**

The detailed background to what happened is well known to both parties. The facts about what happened aren't in dispute, so I'll focus on giving my reasons for my decision.

The complaint concerns two payments - £4,934.96 and £2,000 – which Ms M made in August 2023 in connection with a job opportunity which required completing tasks involving leaving reviews and boosting hotel ratings. She understood that she could earn wages through commission and a basic salary. Ms M subsequently discovered that she'd fallen victim to a scam.

Ms M's Revolut account was opened as part of the scam. It was explained to her that to complete certain tasks, she needed to make deposits in cryptocurrency into her account used for completing those tasks. To make those deposits, Ms M transferred money from her account with another business to Revolut, before making electronic payments from there to purchasing cryptocurrency. Once converted, the cryptocurrency was sent to cryptocurrency wallets as instructed by her 'employer'.

In their most recent assessment, the investigator concluded that Revolut ought to have identified that Ms M's payments were cryptocurrency related and so it ought to have factored that into the questions it asked her. The investigator said there was no evidence that Ms M was coached or told what to say to Revolut, so the scam would likely have been uncovered. They recommended Revolut to refund half of Ms M's losses – the deduction being on account of contributory negligence on her part.

Ms M accepted the investigator's outcome, but Revolut didn't respond. When the case was passed to me to decide, I wrote to Ms M's representative informally setting out reasons for why I didn't intend upholding the complaint. Ms M didn't agree and asked for a formal decision in writing.

## **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 be good industry practice at the time, I consider it fair and reasonable that in August 2023 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,
- 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.

Where there's no previous account history, as was the case here, what should reasonably strike Revolut as concerning for a first payment isn't down solely to the transaction amount involved. The first transaction did flag as suspicious on Revolut's systems and it asked Ms M to select the payment purpose from a list of options. Ms M selected 'Goods and Services'. She was asked further questions and Ms M informed Revolut that she was purchasing cryptocurrency. But Revolut's scam warning was based on Ms M's initial selection of goods and services.

Given Revolut had already recognised that the payment carried a heightened risk of financial harm from fraud, and what it knew about the payment destination based on Ms M's answer, in the circumstances of this case I consider that it should have series of questions to further narrow down the specific cryptocurrency related scam risk involved before providing a warning covering its typical features.

But had it done so, I'm not persuaded that would have prevented Ms M's loss. I'll explain why.

When this case was passed to me, I asked to see the full chat correspondence between Ms M and the scammer. This was provided by Ms M's representative, including the media (photos and images) which were shared in the chat. Having reviewed this, I can see that Ms M was in constant communication with the scammer on 13 August 2023, which is the date the Revolut account was opened, and the first scam payment sent.

It seems to me that she was desperate to make a deposit on the day in question – her account with another EMI which she had attempted to send the payment from in the first instance was restricted, she then tried her main bank but was unsuccessful, the scammer suggested opening a second account with the original EMI using a different email address before suggesting opening an account with Revolut.

Also, there's indication that the scammer suggested continuing the following day when it was proving difficult to purchase cryptocurrency (to clear the negative balance on her account before tasks could be completed). But Ms M was insistent that she wanted to complete the tasks before the 'platform' closed for the day, so she didn't miss out on the bonus.

The photos included in the chat correspondence show that Ms M took screenshots at every stage of her Revolut payment journey – presumably because the scammer had asked her to. She even followed the scammer's instructions to say 'no' to Revolut's question about whether someone was guiding her on how to answer the questions. It was also the scammer that told her to select 'goods and services' and then type 'buying cryptocurrency' when prompted to provide more information.

The scam chat shows Ms M was looking to the scammer for help on answering the questions. In that scenario, I'm not persuaded that Ms M's response (under the instruction of the scammer) to any questions by Revolut about the purpose of purchasing cryptocurrency (to narrow down the risk involved) would have put it on notice that she was likely falling victim to an employment scam. I think it's unlikely that the scammer would have suggested that.

Put simply, I'm not convinced that the true purpose of the payment would have come to light. In making that finding, I'm also mindful that on 14 August 2023, Ms M shared a screenshot with the scammer (it doesn't appear that the accompanying photo/image was included in the submission) which suggests another firm involved in the scam payments had some further questions for her about the recent activity. The scammer provided her a response to forward. Ms M recognised that what she was being asked to say was not true, yet she sent it across anyway.

The above exchange, in conjunction with Ms M's state of mind at the time (including the day before), suggests to me that it's unlikely she would have gone against the scammer's instructions had Revolut tried to narrow down her reasons for purchasing the cryptocurrency.

For the avoidance of any doubt, given the amounts involved I don't consider that Revolut ought to have carried out a direct intervention (for instance an in-app chat) with Ms M at the time of the payment in question. I would have only expected a written warning based on narrowing down the specific scam risk involved. As I've explained, in the circumstances of this specific case, I'm not persuaded the specific scam that Ms M was falling victim to would have come to Revolut's attention.

After I put my above findings to Ms M informally, she responded and disagreed. In summary, she states that this was a new Revolut account, and the amounts involved are significant. In her opinion, Revolut should provide extra intervention. Ms M also submits that she's not denying she's partly responsible for what happened. But had Revolut followed up with additional call or further questions, she wouldn't have made the payment. Ms M states the coaching doesn't negate Revolut's responsibilities following its failure to appropriately intervene.

I've carefully considered Ms M's appeal. I realise how disappointing it would have been for Ms M to have received an outcome she wasn't expecting, not least because a considerable time has passed since the complaint was referred to our service. But as I've mentioned in my previous correspondence, I need to be persuaded on the balance of probabilities that Revolut's acts and omissions were the proximate cause for the financial loss that Ms M suffered due to the actions of the scammer.

What that means is that it isn't enough that Revolut failed to sufficiently intervene. I also need to be satisfied that an intervention along the lines I would have expected would more likely than not have positively impacted Ms M's decision making.

Given the level of coaching involved and actions on Ms M's part, despite being aware she had been asked to offer misleading responses, I'm not persuaded that things would have gone differently like she has suggested in her appeal. Based on the evidence I've seen, on balance, I remain persuaded that Ms M would have sought the scammer's input on Revolut's additional questions and answered them accordingly.

In summary, I know that Ms M will be still disappointed with this outcome. I fully acknowledge that there's a considerable amount of money involved here, and that this incident has taken its toll on her wellbeing. Despite my natural sympathy for the situation in which Ms M finds herself, for the reasons given, it wouldn't be fair of me to hold Revolut even partially responsible for her loss.

### **My final decision**

For the reasons given, my final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms M to accept or reject my decision before 6 December 2024.

Gagandeep Singh  
**Ombudsman**