

Complaint

Mrs B is unhappy that Revolut Ltd has not reimbursed her after she reported falling victim to a scam.

Background

In August 2023, Mrs B fell victim to a job scam. She had received an unsolicited message on WhatsApp offering her a remote role with flexible hours. The role involved completing tasks on an online platform by rating specific products. She was told that these ratings would enhance the visibility and sales of the products, and she would earn commission for tasks completed. Unfortunately, she hadn't been contacted by a genuine recruiter, but a fraudster.

As part of the process, Mrs B was informed that she needed to fund her account on the platform to participate. She made a total of seven payments from her Revolut account. She did this in the anticipation that she'd be able to earn back those payments through the commission she was told she could earn.

When Mrs B realised she had been scammed, she reported the issue to Revolut. However, Revolut declined to refund her. It said it couldn't have detected a fraud risk because this was a new account. That meant it couldn't have compared the payments Mrs B was making with historic payments. It also said that it had taken several steps to warn her about fraud risk during the process of making these payments.

Mrs B was dissatisfied with Revolut's response and referred her complaint to our service. An Investigator reviewed the case but did not uphold the complaint. As Mrs B disagreed with that outcome, the complaint has now been passed to me to consider and come to a final decision.

Findings

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 a firm is expected to process payments and withdrawals that a customer authorises, in accordance with the Payment Services Regulations (in this case, the 2017 regulations) and the terms and conditions of the customer's account. However, that isn't the end of the story. Good industry practice required that Revolut be on the lookout for account activity or payments that were unusual or out of character to the extent that they might indicate a fraud risk. On spotting such a payment, I'd expect it to take steps to warn its customer about the risks of proceeding. The nature and extent of any intervention by Revolut ought to be proportionate to the risk the payment presents. There are several potential responses available to it on spotting such a risk. These range from displaying a simple warning during the payment process to blocking a transaction and contacting the customer to discuss the circumstances in more detail.

We now know with the benefit of hindsight that Mrs B had been targeted by a fraudster. The question I have to consider is whether that risk ought to have been apparent to Revolut given the information that was available to it at the time and, if so, what a proportionate response to that risk would have been. I think there were some indications that Revolut ought to have had concerns about the payments Mrs B was making. For example, the activity on her account on 25 August included payments to a new payee and two declined transactions. This followed payments to three new payees in the days prior. While the amounts were not individually high, the pattern of activity was potentially indicative of a scam.

I would have expected Revolut to take steps to intervene at this stage. However, I do not think the circumstances were such that Revolut should have blocked the payments. Instead, I think a proportionate response would have been to display a warning. I can see that Revolut did provide Mrs B with general warnings on these payments. I've considered whether it ought to have done more than that, but I'm not persuaded it would've made a difference in any event. It is challenging to argue either that Revolut didn't do what I'd have expected it to do or that any potential failing on its part was the cause of Mrs B's losses. I say that because her reliance on the guidance of the fraudster meant that she didn't respond to Revolut's queries in a way that would've enabled it to provide her with the most appropriately tailored warning.

I can see from the exchange of messages between Mrs B and the fraudster that, when Revolut did ask her to specify the purpose of a payment, she promptly sent a screenshot of the options to the fraudster and followed their advice on which option to pick. For Revolut to provide an appropriate warning to Mrs B that covered the most commonly occurring features of job scams, it would've needed her to volunteer enough information to show that this was the scam type she was most likely at risk of. Since she was responding based on the guidance of the fraudster, I think it's highly likely that they'd have guided her through any queries from Revolut in such a way that they could've evaded its fraud detection systems.

For the sake of completeness, I also considered whether Revolut did everything I'd have expected it to in terms of recovery of funds. I can see that it did send a notification to the receiving banks that Mrs B had fallen victim to a scam. However, these were 'push-to-card' payments, rather than faster payments, which meant its efforts were never likely to be successful. I don't say any of this to downplay or diminish the fact that Mrs B has fallen victim to a cruel and cynical scam. I have a great deal of sympathy for her and the position she's found herself in. However, my role is limited to looking at the actions and inactions of the Revolut and I'm not persuaded that it did anything wrong here.

Final decision

For the reasons I've explained above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs B to accept or reject my decision before 27 January 2025.

James Kimmitt
Ombudsman