

## The complaint

Miss C complains that Revolut Ltd did not refund a series of payments she lost to a scam.

## What happened

Both parties are aware of the circumstances of the complaint, so I won't repeat them again in detail here. In summary, Miss C fell victim to a task-based job scam and sent the following payments from her Revolut account:

Date	Amount	Payee
4/7/23	£50	Cryptocurrency
4/7/23	£64	Cryptocurrency
4/7/23	£77	Cryptocurrency
5/7/24	£85	Cryptocurrency
5/7/24	£145	Cryptocurrency
5/7/24	£119	Cryptocurrency
5/7/24	£286	Cryptocurrency
5/7/23	£445	Cryptocurrency
5/7/23	£1,220	Cryptocurrency
5/7/23	£1,410	Cryptocurrency
5/7/23	£3,098	Cryptocurrency
7/7/23	£3,940	Company
7/7/23	£3,624	Company

Miss C raised a scam claim with Revolut on 10 July 2023. They explained they were unable to recover the funds from the beneficiary bank, despite their attempts to do so. And they found they had provided Miss C with warnings on some of the transactions, so they felt they had taken steps to warn her before processing the payments.

Miss C referred the complaint to our service and our Investigator felt the payment of £3,098 was unusual and that Revolut should have intervened. They felt an intervention at that time would have broken the spell and prevented Miss C from making further payments. But they also felt Miss C should bear some responsibility for the loss, so they recommended a 50% refund of the payments from the payment of £3,098 onwards, along with 8% simple interest.

Miss C accepted the outcome, however Revolut did not, and the complaint was passed to me for a decision. I issued a provisional decision in which I explained I did not think the complaint should be upheld. My provisional decision read as follows:

*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 have been good industry practice at the time, I consider it fair*

and reasonable in July 2023 that 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;
- 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 including in relation to card payments);
- 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.

*While I think Revolut ought to have recognised that Miss C was at heightened risk of financial harm from fraud when making these payments, as I think the pattern of payments from the payment of £3,098 onwards was unusual and indicative of fraud, I don't currently think any proportionate intervention by Revolut would have prevented Miss C's loss. I'll explain why.*

*I think it would have been reasonable for Revolut to refer Miss C to their in-app chat to discuss the payments further. The payment of £3,098 was identifiably going to cryptocurrency, so I think Revolut should have provided a warning in the chat relevant to cryptocurrency scams. To determine whether I think this would have reasonably broken the spell or prevented Miss C from making further payments, I have reviewed the chats between herself and the scammer, as well as an earlier intervention from a third-party bank Miss C used to fund the Revolut account.*

*In the chat with the scammer, I can see Miss C was guided step by step on how to make the payments to cryptocurrency. This included setting up the accounts and also what to input when making various payments. This included the scammer instructing Miss C to select 'friends and family' when making a payment from her cryptocurrency wallet, in order to pass security.*

*I can see that Miss C's third-party bank that she used to fund payments into her Revolut account blocked a transfer as they felt it was suspicious. They spoke with Miss C over the phone and said they had concerns she was the victim of a scam. They asked her what the transfers were for, and she said she was paying for something, personal family things that she didn't want to give more details about. However, Miss C was not paying for family things, and it appears she was following the scammers instruction not to reveal the true purpose of the payments. I want to make it clear that I understand she was doing so under the guidance of the scammer, and this is a common tactic scammers use to ensure payments pass through security.*

*I therefore think it is more likely Miss C would have continued to follow the instruction of the scammer and hide the true purpose of the payments from Revolut had they intervened. I can see the scammer had primed Miss C on what to say if Revolut asked her about cryptocurrency. They advised her to tell Revolut she was purchasing cryptocurrency with full*

*knowledge and while she doesn't know everything about it, her family does. So, I think it's more likely Miss C would have followed the cover story provided to her by the scammer. I've also considered if a cryptocurrency scam warning would have made Miss C realise she could be the victim of a scam, but I have to keep in mind that she was falling victim to a job scam, which has different characteristics. So, I think it's unlikely a cryptocurrency scam warning at that time would have meaningfully revealed the scam to her.*

*Because of this, while I think Revolut should have intervened in the payments, I currently do not think an intervention would have revealed the scam at the time. So I do not agree Revolut needs to reimburse Miss C in the circumstances. Revolut has confirmed it attempted to recover the funds transferred to the company, but unfortunately the beneficiary bank did not respond. So, I don't think Revolut could have done more to try and recover the funds. And I think it was reasonable they did not raise a scam claim for the card payments, as the merchant provided the service Miss C paid for, which was exchanging cryptocurrency. So I don't think they had a reasonable chance of success had they raised a chargeback claim.*

*I acknowledge Miss C has been the victim of a scam and I'm sorry she's gone through this experience. But from the evidence I have seen so far, I don't think Revolut needs to reimburse her in the circumstances.*

Revolut did not respond to my initial findings.

Miss C responded and explained that Revolut should have done more to protect her account, including telephoning her or chatting with her directly. She said the scammers were guiding her and Revolut should have realised this. Miss C also set out in more detail the affect this situation has had on her life and overall health.

### **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've considered Miss C's additional comments, and I want to assure her that I recognise she has been the victim of a cruel scam. In my decision, I explained that I felt Revolut should have intervened and chatted to Miss C when she made the payment of £3,098. But I explained why I felt this would not have been enough to break the spell and reveal the scam at that time. This was because Miss C had followed the guidance of the scammer and misled her third-party bank when funding her Revolut account, and I saw nothing to indicate she would not have done the same when forwarding those funds to the scammer.

I do acknowledge the affect this situation has had on Miss C, and I don't take this decision lightly. But after carefully considering everything available to me, while I do think Revolut should have intervened in the payment of £2,098, for the reasons set out in my provisional decision I don't think this would have meaningfully revealed the scam. I therefore do not think Revolut needs to reimburse Miss C in the circumstances.

### **My final decision**

I do not uphold Miss C's complaint against Revolut Ltd.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss C to accept or reject my decision before 6 February 2025.

Rebecca Norris

**Ombudsman**