

## The complaint

Mr P complains that Revolut Ltd won't refund money he lost when he was a victim of a job scam.

## What happened

The background to this complaint is well 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 reasons for my decision.

On 10 November 2023, Mr P received a text message, that we now know to be from a scammer. The scammer introduced themselves to be a recruiter that was offering a remote working job opportunity, and asked Mr P if he would be interested, which Mr P he would be. As a result, he was contacted by the scammer on an instant messenger app whereby further details were provided.

The scammer told Mr P the job opportunity involved helping hotels enhance their visibility and reputation in order to boost the volume of travellers staying in their hotels. And he could earn a minimum daily commission of £40-£60. Mr P was provided with a link to the scammer's platform including registration instructions.

The scammer convinced Mr P that, in order to receive the tasks, he needed to carry out the job, he would initially need to buy the tasks and his funds would be returned once the tasks were completed, along with his commission earned. As Mr P believed the job opportunity was genuine, he made the following push to card payment to an unknown third party:

Date	Transaction type	Payee	Amount
10 November 2023	Push to card	"IB"	\$4,079.73 (inc. fees)

Mr P realised he'd been a victim of a scam a few hours later on the same day (10 November 2023) and he contacted Revolut and asked them to help recover his funds.

Revolut didn't uphold the complaint, and in short said the following:

- They detected the payment(s) was being made to a new beneficiary and displayed the following message:

*"Do you know and trust this payee? If you're unsure, don't pay them, as we may not be able to help you get your money back".*

Mr P acknowledged this warning and, as a result, he was free to continue with the transfer.

- They detected that this payment to a newly added beneficiary was suspicious, so a message about the purpose of this payment was shown to Mr P, followed by educational screens regarding the type of potential scam. Following these warnings,

Mr P was free to continue with the transaction.

- In addition to system-based fraud protection, they also inform customers about scams and prevention tips through email and blogs – and provide updates on their fraud and scam hub.
- They weren't at fault for processing the transfers that Mr P authorised in the form and procedure agreed in the terms and conditions for giving consent to execute payments from his account.
- They launched a request to freeze and retrieve the funds from the fraudulent beneficiary's account within 24 hours after the scam being reported. This process is bound by the co-operation from the beneficiary bank and the recovery of funds isn't guaranteed. Regrettably, on 12 November 2023 they determined they would be unable to recover the funds lost.
- They're not liable for these transactions, they treated Mr P fairly and they fulfilled their duty to protect him by providing sufficient warnings and trying to recover the funds.

Mr P was unhappy with the response from Revolut, so he referred his complaint to the Financial Ombudsman Service.

Our Investigator considered everything; however, he didn't think the complaint should be upheld. He explained that although he recognised Mr P made the payment as a result of fraud, based on the information provided he didn't feel Revolut should reasonably have been expected to prevent this.

The Investigator said Revolut intervened at the time of the transaction, and provided appropriate warnings, including asking Mr P to select the purpose of the payment from a list of options. Mr P didn't provide an accurate answer as he selected *"making a payment to a family member or friend"*, and he then said it was for *"paying back for something they purchased on my behalf"*. Revolut then showed Mr P appropriate warnings according to the payment purpose selected. The Investigator said, as Mr P didn't answer the questions correctly, Revolut didn't have the opportunity to provide tailored warnings for the true purpose of the payment. So, the Investigator didn't feel Revolut did anything wrong by not stopping the payment.

Mr P asked for an Ombudsman to make a final decision, so the complaint has been passed to me to consider.

### **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 Mr P has been the victim of a scam and I don't underestimate the impact this has had on him. But while I'm sympathetic to Mr P's circumstances, I must consider whether Revolut is responsible for the loss he has suffered. I know this won't be the outcome Mr P is hoping for but, for similar reasons as our Investigator, I don't think they are. I'll explain why.

In broad terms, the starting position in law is that an electronic money institution (EMI) is expected to process payments that their customer authorises them to make. It isn't disputed that Mr P knowingly made the payment from his account – albeit under the direction of the scammer – and so, I'm satisfied he authorised them. Therefore, under the Payment Services

Regulations 2017, and the terms of his account, Revolut are expected to process Mr P's payments and he is presumed liable for the loss in the first instance.

However, taking into account the regulatory rules and guidance, relevant codes of practice and good industry practice, there are circumstances where it might be appropriate for Revolut to take additional steps or make additional checks before processing a payment to help protect customers from the possibility of financial harm from fraud.

I can see when Mr P opened his account with Revolut, he was asked about the account's purpose, to which he responded, with the following, which included overseas transfers, and transfers amongst other options: ***"Overseas transfers, Disposable cards, budgeting, rewards, transfers"***

When Mr P attempted to make the payment in question, I can see the payment was flagged by Revolut's system for additional fraud checks, and Mr P was asked to confirm if he wanted to go ahead with the transfer via the following question:

***"Do you know and trust this payee?"***

*If you're unsure, don't pay them, as we may not be able to help you get your money back. Remember, fraudsters can impersonate others, and we will never ask you to make a payment."*

As Mr P decided to continue with the transfer, the beneficiary was marked as 'trusted'.

Revolut, carried out further checks, undertaking a fraud risk assessment on the payment and explained to Mr P that the transaction had been flagged by their system as a potential scam. And to continue, they needed to ask him some further questions. Revolut directed Mr P to answer truthfully and warned that if he was being scammed, the fraudster might ask him to hide the real reason for this payment. Mr P confirmed that he understood he may not get his money back if he did not answer the questions truthfully.

Revolut went onto ask Mr P questions that included:

**Why are you making this transfer?**

"We'll only use this information to help protect your account."

Mr P selected 'pay a family member or friend'.

**What are you paying them for?**

"We'll only use this information to help protect your account."

Mr P selected 'Paying back for something they purchased on my behalf'.

This prompted Revolut to provide educational stories – tailored to the selected payment purpose.

It isn't in dispute that Mr P has fallen victim to a cruel scam here, nor that he authorised the disputed payment. But I've thought about whether Revolut should have taken additional steps beyond what they did prior to processing the payment. Overall, I'm satisfied that Revolut's questions were clear, and they told Mr P that he should answer their questions truthfully, but despite this, Mr P selected *"Paying a family member or friend"* as the purpose of the payment – which wasn't accurate and naturally generated scam warnings associated with that type of risk, so it wasn't particularly relevant to Mr P's circumstances.

Mr P accepted that the warnings Revolut provided were based on the information he'd given, however he feels that the effectiveness of these warnings is questionable. This is due to

sophisticated scams involving psychological manipulation, whereby victims are coerced or convinced to provide misleading or inaccurate information to the bank, which Mr P said was the case in his situation - as he'd been convinced by the scammer he was engaging in a legitimate transaction, which Mr P said influenced his responses to the prompts from Revolut.

I appreciate Mr P has said, based on the above, it is unreasonable to place the entire burden of identifying a scam on the customer. However, I feel the warnings Revolut displayed were sufficient and proportionate to the identifiable risk in relation to the payment made by Mr P. As Mr P had been convinced by the scammer he was engaging in a genuine transaction, I would've expected him to answer the questions truthfully as he didn't have any concerns about the nature of the payment. But even if he was asked to pick different answers to what the payment was for, I don't think it would be fair or reasonable to hold Revolut responsible for that - as I don't think Revolut had sufficient reason to suspect that Mr P was being coached to mislead them.

I've also looked at the correspondence Mr P had with the scammer's customer service team, and as Mr P has highlighted this correspondence was very unprofessional. But while Mr P has said this should've prompted a further investigation by Revolut, I can't agree. This conversation only became available to Revolut after the event, and I don't think Revolut – based on the payment purpose Mr P selected and the answers he gave to its questionnaire – had sufficient reason to enquire further about the payment. I therefore don't think Revolut missed an opportunity to identify Mr P was falling victim to a scam.

I have a great deal of sympathy for Mr P and the loss he's suffered. But it would only be fair for me to direct Revolut to refund his loss if I thought they were responsible for it. For the reasons I've explained, I don't think Revolut is, as I don't think they could've done anything more to recover the money Mr P lost to the scam - the transaction was a push-to-card payment and sent internationally, which meant there wasn't any realistic prospects of recovery once the payment had left Mr P's account.

### **My final decision**

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 7 January 2025.

Israr Ahmed  
**Ombudsman**