

## The complaint

Mr A complains that Revolut Ltd (Revolut) is refusing to refund him the amount he lost as the result of a scam.

Mr A is being represented by a third party. To keep things simple, I will refer to Mr A throughout my decision.

## What happened

The background of this complaint is well known to all parties, so I won't repeat what happened in detail.

In summary, Mr A was contacted by a company I will call 'X' that offered him an online remote working job where he would earn commission reviewing products. Initially Mr A wasn't interested in the job but later decided he would like to take it.

Although Mr A wasn't looking for a job at the time, he did recall previously uploading his CV to various job sites.

X told Mr A that the job involved completing various tasks and directed him to a legitimate looking website that Mr A says gave him confidence he was being offered a genuine job. X also explain that Mr A would have to complete 40 tasks before he would receive his commission.

Mr A started the role, and everything appeared to be going well with the balance of his account with X increasing as he expected. But eventually when Mr A logged into his account, he could see a negative balance. X told Mr A that he had been assigned combination tasks and that he would have to clear the balance to continue.

Mr A made the payments as requested by X but continued to encounter further combination tasks that required him to make further payments.

When Mr A completed the tasks that had been set for him, he attempted to make a withdrawal from the account. But X told him that the amount he wanted to withdraw exceeded the limit of the account he had with X and he would have to upgrade first. The total cost of the upgrade was £15,000.

Mr A tells us that he realised at this point that he had fallen victim to a scam and refused to make any more payments.

Mr A made the following payments in relation to the scam:

Payment	Date	Payee	Payment Method	Amount
1	13 August 2023	Individual 1	Transfer	£45.00
2	18 August 2023	Binance	Debit Card	£100.00
3	18 August 2023	Binance	Debit Card	£250.00
4	25 August 2023	Moonpay	Debit Card	£1,260.19

5	25 August 2023	Individual 2	Transfer	£595.00 + £13.68 fee
6	6 November 2023	Individual 3	Transfer	£3,000.00 + £69.00 fee
7	7 November 2023	Individual 4	Transfer	£1,500.00 + £34.50 fee
8	7 November 2023	Individual 4	Transfer	£1,500.00 + £34.50 fee
9	7 November 2023	Individual 4	Transfer	£500.00 + £11.50 fee
10	8 November 2023	Individual 5	Transfer	£3,000.00 + 3.00 fee
11	8 November 2023	Individual 4	Transfer	£1,800.00 + £41.40fee
12	10 November 2023	Individual 6	Transfer	£1,986.00 + £13.90 fee
13	12 November 2023	Individual 7	Transfer	£134.00 + £3.08 fee

Our Investigator considered Mr A's complaint and didn't think it should be upheld. Mr A disagreed, so this complaint has been passed to me to decide.

### **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.

It has not been disputed that Mr A has fallen victim to a cruel scam. The evidence provided by both Mr A and Revolut sets out what happened. What is in dispute is whether Revolut should refund the money Mr A lost due to the scam.

#### *Recovering the payments Mr A made*

Mr A made payments into the scam via his debit card and transfer. When payments are made by card the only recovery option Revolut has is to request a chargeback.

The chargeback scheme is a voluntary scheme set up to resolve card payment disputes between merchants and cardholders. The card scheme operator ultimately helps settle disputes that can't be resolved between the merchant and the cardholder.

Such arbitration is subject to the rules of the scheme, meaning there are only limited grounds and limited forms of evidence that will be accepted for a chargeback to be considered valid, and potentially succeed. Time limits also apply.

Mr A was dealing with X, which was the business that instigated the scam. But Mr A didn't make the debit card payments to X directly, he paid separate cryptocurrency exchanges. This is important because Revolut would only have been able to process chargeback claims against the merchant he paid, not another party (such as X).

The service provided by the cryptocurrency exchanges would have been to convert or facilitate conversion of Mr A's payments into cryptocurrency. Therefore, they provided the service that was requested; that being the purchase of the cryptocurrency.

The fact that the cryptocurrency was later transferred elsewhere – to the scammer – doesn't give rise to a valid chargeback claim against the merchants Mr A paid.

When payments are made by transfer Revolut has limited options available to it to seek recovery. Revolut has confirmed that it contacted the operators of the receiving accounts to request a refund of any funds that remained, but no funds remained to be refunded.

With the above in mind, I don't think Revolut had any reasonable options available to it to recover the payments Mr A made in relation to the scam.

*Should Revolut have reasonably prevented the payments Mr A made?*

It has been accepted that Mr A authorised the payments that were made from his account with Revolut, albeit on X's instruction. So, the starting point here is that Mr A is responsible.

However, banks and other Payment Services Providers (PSPs) do have a duty to protect against the risk of financial loss due to fraud and/or to undertake due diligence on large transactions to guard against money laundering.

The question here is whether Revolut should have been aware of the scam and intervened when Mr A made the payments. And if it had intervened, would it have been able to prevent the scam taking place.

The initial payments Mr A made in relation to the scam were not of a significant value that I would have expected them to trigger Revolut's fraud prevention systems although I can see that Revolut did intervene when Mr A made payment 5.

Mr A confirmed he was making the payment for "something else". He then confirmed no one was guiding him, no one had asked him to download any software and he wasn't being told to ignore any warnings. Mr A then agreed to a statement confirming that Revolut had warned him that the payment was suspicious, and he understood the risk of losing his money.

However, it's clear from the chat transcript between Mr A and X that he was being coached through each step with how to make the payments.

Revolut also intervened when Mr A made payments 7,8,10 and 12. When Mr A made these payments, he gave incorrect information. Mr A stated that he was making the payments for "something else" or "paying family and friends". He said he was buying something from a friend and that he had made successful payments to them before.

It's clear again from the chat transcript of the conversations between Mr A and X that X was guiding Mr A on how to make the payments and what to say when they were being made. Even if Revolut had intervened further I think it's very unlikely the scam would have been uncovered. I think it's most likely Mr A would have referred to X when asked any questions by Revolut and answered them as directed.

Giving incorrect information would make it very difficult for Revolut to uncover the scam that was taking place. So, as I don't think Mr A would have given honest answers had Revolut intervened further than it did, I don't think Revolut missed an opportunity to uncover the scam, and it is not responsible for Mr A's loss.

**My final decision**

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 17 January 2025.

Terry Woodham  
**Ombudsman**