

THE COMPLAINT

Mr J holds/held an account with Revolut Ltd.

Mr J's complaint is about Revolut's refusal to reimburse him money he says he lost due to a scam.

Mr J is represented by Refundee in this matter. However, where appropriate, I will refer to Mr J solely in this decision for ease of reading.

WHAT HAPPENED

The circumstances of this complaint are well known to all parties concerned, so I will not repeat them again here in detail. However, I will provide an overview of events.

Mr J says he has fallen victim to a cryptocurrency linked 'job scam' – a classic 'get-rich-quick' fraud. In short, Mr J says that fraudsters tricked him into making payments from his Revolut account to receive commission for clicking forty times a day: *"By clicking I was told I would boost companies profiles thus their name would appear at the top of the website search engine."*

(I have set out the transactions in question at the end of this decision at Appendix 1. This is because of the large volume of payments involved.)

Mr J funded the scam using money from his Lloyds Bank account.

Mr J disputed the above with Revolut. When Revolut refused to reimburse Mr J, he raised a complaint, which he also referred to our Service.

One of our investigators considered the complaint and did not uphold it. In summary, the investigator thought Revolut could have done more to protect Mr J from financial harm. But the investigator also thought that even if Revolut had done more, it would not have made a difference. Refundee, on Mr J's behalf, rejected the investigator's findings stating, in short, Revolut should have done more to uncover the scam – particularly given Mr J did not have a detailed cover story.

As the investigator's findings were not accepted, this matter has been passed to me to make a decision.

WHAT I HAVE 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.

Having done so, I find that the investigator at first instance was right to reach the conclusion they did. This is for reasons I set out in this decision.

I would like to say at the outset that I have summarised this complaint in far less detail than the parties involved. I want to stress that no discourtesy is intended by this. If there is a

submission I have not addressed, it is not because I have ignored the point. It is simply because my findings focus on what I consider to be the central issues in this complaint.

Further, under the rules I must observe, I am required to issue decisions quickly and with minimum formality.

Regulatory framework

The regulations which apply in this matter are the Payment Services Regulations 2017 (“the PSRs”).

Should Revolut have recognised that Mr J was at risk of financial harm from fraud?

It is not in dispute that Mr J authorised the payment transactions in this matter. Generally, consumers are liable for payment transactions they have authorised. However, that is not the end of the story. This is because even if a payment is authorised, there are regulatory requirements and good industry practice which suggest firms – such as Revolut – should be on the look-out for unusual and out of character transactions to protect their customers from financial harm. And, if such payment transactions do arise, firms should intervene before processing them. That said, firms need to strike a balance between intervening in a customer’s payment to protect them from financial harm, against the risk of unnecessarily inconveniencing or delaying a customer’s legitimate transactions.

I have borne the above in mind when considering the payment transactions in this matter.

Payments 1 to 5

I am not persuaded that Payments 1 to 5 were unusual or out of character. I acknowledge the payments were cryptocurrency in nature. However, I have weighed this against the fact that the transactions were low in value and relatively spaced out. Further, there was no account history to compare to.

Payments 6 to 76

Payments 6 to 76 were made on the following dates:

- Nine payments on 13 January 2024
- 23 payments on 17 January 2024
- 24 payments on 23 January 2024
- 15 payments on 24 January 2024

I take the view that these payments were unusual and out of character. I say this because the payments on each day were a series of low value transactions to the same payee/new payee. Further, these payments were made rapidly within a short period. For these reasons, I would have expected at least some of these transactions to have triggered Revolut’s fraud detection systems – prompting it to intervene to try to protect Mr J from financial harm.

I will not attempt to identify individual trigger points given the volume of payments in this matter. Instead, I will take a holistic approach when considering Mr J’s payments.

Interventions which Revolut carried out

Below is a list of payments that did trigger Revolut's systems, including the type of interventions that followed:

| Payment Number | Date | Beneficiary/Merchant | Amount | Intervention Type |
|----------------|-----------------|---|------------------|--|
| | 12 January 2024 | Mariam N | £207.80 (failed) | "Transfer Review" warning + static warning + purpose of payment + questionnaire + tailored warnings + risk agreement but was cancelled by the system |
| 4 | 12 January 2024 | Idris F | £202.00 | "Transfer Review" warning |
| 6 | 13 January 2024 | Jovidon f | £202.00 | "Transfer Review" warning |
| 8 | 13 January 2024 | Abdu R | £202.00 | "Transfer Review" warning |
| 15 | 17 January 2024 | Idris F | £202.00 | "Transfer Review" warning |
| | 17 January 2024 | Mr J's account restricted. Mr J required to speak to Revolut via in-app chat. | | |
| 33 | 17 January 2024 | Mehrgona F | £202.00 | "Transfer Review" warning |
| 38 | 23 January 2024 | Mehrgona F | £202.00 | High risk warning + purpose of payment + questionnaire + tailored warnings + "forced" chat and customer ended up declining it |

Were Revolut's interventions proportionate?

On 17 and 23 January 2024, Revolut required Mr J to contact it via an in-app chat in relation to payments he was attempting. Having considered both in-app chat exchanges, I am not persuaded that Revolut did enough in its interventions.

I acknowledge that Revolut asked Mr J some general questions about the payments he was making and requested a screenshot of the platform his funds were going to. However, I think it is arguable that Revolut could have gone further, by, for example, asking Mr J more probing questions. I say this in particular given Mr J's account opening purpose was not consistent with the payments he was making. Further, the payments occurred post the Financial Conduct Authority's Consumer Duty, so I would have expected Revolut to have gone further in its interventions.

If Revolut had had gone further in its interventions, would this have prevented the losses Mr J suffered?

As I have taken the view that Revolut should have gone further in its interventions, I must now turn to causation. Put simply, I need to consider whether Revolut's failure to do this caused Mr J's losses. I need to reflect on whether more robust interventions would have likely made any difference. Having done so, I am not persuaded that they would have. I take the view that, on the balance of probabilities, Mr J would have frustrated Revolut's attempts to intervene to protect him from financial harm – thereby alleviating any concerns Revolut had.

To come to this conclusion, I have considered Mr J's interactions with Revolut and Lloyds Bank regarding some of his payments – including Mr J's general view of the scam at the time. I have relied on these as indicators to what Mr J would have likely done had Revolut gone further in its interventions. Below are some of the key factors I have taken into account:

- The fraudsters guided Mr J on how to frustrate Revolut's and Lloyds Bank's interventions. I have seen evidence of this from WhatsApp exchanges between Mr J and the fraudsters. For example, the fraudsters say to Mr J, *"But on Revolut when you are making a payment and it declines then just cancel and find another seller, don't proceed to their chat."* Mr J responds, *"You're an angel. When this is over I'm going to reward you with patience"*. There are other instances within the WhatsApp exchanges where the fraudsters tell Mr J misleading things to say if his payments are stopped.
- Although I think Revolut could have gone further in its interventions on 17 and 23 January 2024, it did give Mr J an opportunity to provide some basic information about the scam. This is something he did not do. For example, Mr J did not mention any third-party involvement, nor the name of the actual 'recruitment' company he was dealing with.
 - Moreover, during the 17 January intervention specifically, Mr J confirmed, *"Revolut has warned me in app chat that this is likely a scam. I can confirm that I am not being assisted with my transaction and understand that Revolut is unlikely to recover my funds if I proceed."*
- On 23 and 24 January 2024, Mr J was required to attend a Lloyds Bank branch. I have listened to telephone calls in connection with these visits – whereby branch staff telephoned Lloyds Bank's fraud department in the presence of Mr J.

- During the branch visits, Mr J, in essence, confirmed that there was no third-party involvement regarding his transfers from his Lloyds Bank account to his Revolut account. However, Mr J's submissions to our Service tell a different story.
- Mr J told branch staff that his transfers to Revolut were for general spending, a holiday, and then cryptocurrency – not mentioning any details which reassembled the job scam he says he fell victim to.
- Mr J told branch staff, *“Really it is my money to do as I wish.”*
- Mr J was shown educative scam videos in branch and was provided with scam warnings – none of which he heeded.
- For one of Mr J's payments towards the scam, he selected *‘Pay a family or friend’* as a payment purpose when prompted by Revolut. The investigator at first instance asked why Mr J did this. His response was that he could no longer recall why.
- Although Mr J has described the hallmarks of a job scam in his submissions to our Service, he did not do so when Revolut and Lloyds Bank questioned him about his payments. Instead, he simply said his payments were for an investment.

To my mind, it would be reasonable to say that one of the most effective forms of intervention is when a bank requires one of their customers to go into branch. This is because the customer can be carefully scrutinised in a way in which a telephone and/or in-app chat intervention would find difficult to replicate. Lloyds Bank engaged in such an intervention with Mr J on two occasions. However, during both in-branch visits, Mr J did not reveal the true nature of his payments.

Therefore, taking all above points together, I find that even if Revolut had gone further in its interventions, it is likely Mr J would have frustrated this – particularly given the fact that an in-app chat intervention is not as effective as an in-branch intervention; something which Mr J was able to frustrate with Lloyds Bank.

Recovery of funds

I have considered whether Revolut acted appropriately in trying to recover Mr J's funds once the fraud was reported to it.

Card payments (Payments 1 to 3)

Chargeback is an entirely voluntary scheme, which means firms are under no formal obligation to raise a chargeback claim. The relevant scheme operator can arbitrate on a dispute between a merchant and customer if it cannot be resolved between them. However, such an arbitration is subject to the rules of the relevant scheme – so there are limited grounds on which a chargeback can succeed.

The service of purchasing cryptocurrency/exchanging funds into cryptocurrency – is not covered under the chargeback scheme concerned in this matter. This is because the exchanges in question provided their services as intended. This also applies to any payment processor involved, as they would have carried out their services as intended when transferring funds.

For these reasons, I find that any chargeback claim in this matter had little chance of success under the relevant chargeback scheme. It follows that I would not have expected

Revolut to raise one on behalf of Mr J.

Push-to-card/transfers (Payments 4 to 76)

As Mr J's payments were made to purchase cryptocurrency – which would have been forwarded on in this form – there would not have been any funds to recover. In this case, the purchases appear to be peer-to-peer cryptocurrency exchange payments. For these reasons, I am satisfied that it is unlikely Revolut could have done anything to recover Payments 4 to 76.

Compensation for distress and/or inconvenience

I have considered whether an award for distress and/or inconvenience is warranted in this matter. Having done so, I am not persuaded that it is. I have not found any errors in Revolut's investigation. Any distress and/or inconvenience Mr J has suffered is a result of the fraudsters' actions – not Revolut's.

Conclusion

Taking all the above points together, I do not find that Revolut has done anything wrong in the circumstances of this complaint. Therefore, I will not be directing Revolut to do anything further.

In my judgment, this is a fair and reasonable outcome in the circumstances of this complaint.

MY FINAL DECISION

For the reasons set out above, my final decision is that I do not uphold this complaint against Revolut Ltd.

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

APPENDIX 1

| Payment Number | Date | Beneficiary/Merchant | Amount |
|-----------------------|-----------------|-----------------------------|------------------|
| 1 | 09 January 2024 | Alchemy Gps | £73 |
| 2 | 09 January 2024 | Alchemy Gps | £130 |
| 3 | 11 January 2024 | Alchemy Gps | £200 |
| | 12 January 2024 | Mariam N | £207.80 (failed) |
| 4 | 12 January 2024 | Idris F | £202 |

| | | | |
|----|-----------------|-----------|---------|
| 5 | 12 January 2024 | Idris F | £151.50 |
| 6 | 13 January 2024 | Jovidon F | £202 |
| 7 | 13 January 2024 | Jovidon F | £151.50 |
| 8 | 13 January 2024 | Abdu R | £202 |
| 9 | 13 January 2024 | Abdu R | £202 |
| 10 | 13 January 2024 | Abdu R | £202 |
| 11 | 13 January 2024 | Abdu R | £202 |
| 12 | 13 January 2024 | Abdu R | £202 |
| 13 | 13 January 2024 | Abdu R | £202 |
| 14 | 13 January 2024 | Abdu R | £50.86 |
| 15 | 17 January 2024 | Idris F | £202 |
| 16 | 17 January 2024 | Idris F | £202 |
| 17 | 17 January 2024 | Idris F | £202 |
| 18 | 17 January 2024 | Idris F | £202 |
| 19 | 17 January 2024 | Idris F | £202 |
| 20 | 17 January 2024 | Idris F | £202 |
| 21 | 17 January 2024 | Idris F | £202 |
| 22 | 17 January 2024 | Idris F | £202 |
| 23 | 17 January 2024 | Idris F | £202 |
| 24 | 17 January 2024 | Idris F | £202 |
| 25 | 17 January 2024 | Idris F | £202 |
| 26 | 17 January 2024 | Idris F | £202 |

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|----|-----------------|------------|------|
| 27 | 17 January 2024 | Idris F | £202 |
| 28 | 17 January 2024 | Idris F | £202 |
| 29 | 17 January 2024 | Idris F | £202 |
| 30 | 17 January 2024 | Idris F | £202 |
| 31 | 17 January 2024 | Idris F | £202 |
| 32 | 17 January 2024 | Idris F | £202 |
| 33 | 17 January 2024 | Mehrgona F | £202 |
| 34 | 17 January 2024 | Mehrgona F | £202 |
| 35 | 17 January 2024 | Mehrgona F | £202 |
| 36 | 17 January 2024 | Mehrgona F | £202 |
| 37 | 17 January 2024 | Mehrgona F | £202 |
| 38 | 23 January 2024 | Mehrgona F | £202 |
| 39 | 23 January 2024 | Mehrgona F | £202 |
| 40 | 23 January 2024 | Mehrgona F | £202 |
| 41 | 23 January 2024 | Mehrgona F | £202 |
| 42 | 23 January 2024 | Mehrgona F | £202 |
| 43 | 23 January 2024 | Mehrgona F | £202 |
| 44 | 23 January 2024 | Mehrgona F | £202 |
| 45 | 23 January 2024 | Mehrgona F | £202 |
| 46 | 23 January 2024 | Mehrgona F | £202 |
| 47 | 23 January 2024 | Mehrgona F | £202 |
| 48 | 23 January 2024 | Mehrgona F | £202 |

| | | | |
|----|-----------------|------------|---------|
| 49 | 23 January 2024 | Mehrgona F | £202 |
| 50 | 23 January 2024 | Mehrgona F | £202 |
| 51 | 23 January 2024 | Mehrgona F | £202 |
| 52 | 23 January 2024 | Mehrgona F | £202 |
| 53 | 23 January 2024 | Mehrgona F | £202 |
| 54 | 23 January 2024 | Mehrgona F | £202 |
| 55 | 23 January 2024 | Mehrgona F | £202 |
| 56 | 23 January 2024 | Mehrgona F | £202 |
| 57 | 23 January 2024 | Mehrgona F | £202 |
| 58 | 23 January 2024 | Mehrgona F | £202 |
| 59 | 23 January 2024 | Mehrgona F | £202 |
| 60 | 23 January 2024 | Mehrgona F | £202 |
| 61 | 23 January 2024 | Mehrgona F | £202 |
| 62 | 24 January 2024 | Idris F | £202 |
| 63 | 24 January 2024 | Idris F | £202 |
| 64 | 24 January 2024 | Idris F | £202 |
| 65 | 24 January 2024 | Idris F | £202 |
| 66 | 24 January 2024 | Idris F | £202 |
| 67 | 24 January 2024 | Idris F | £202 |
| 68 | 24 January 2024 | Idris F | £202 |
| 69 | 24 January 2024 | Idris F | £158.65 |
| 70 | 24 January 2024 | Idris F | £202 |

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|----|-----------------|---------|---------|
| 71 | 24 January 2024 | Idris F | £202 |
| 72 | 24 January 2024 | Idris F | £42.41 |
| 73 | 24 January 2024 | Idris F | £202 |
| 74 | 24 January 2024 | Idris F | £202 |
| 75 | 24 January 2024 | Idris F | £202 |
| 76 | 24 January 2024 | Idris F | £151.50 |

Tony Massiah
Ombudsman