

The complaint

Miss E complains that Revolut Ltd won't refund money she lost when she fell victim to an employment scam.

What happened

The detailed background to this complaint is well known to both parties and has been previously set out by the investigator. So, I'll only provide an overview and focus on giving my reasons for my decision.

The complaint concerns several transactions totalling approximately £4,200 which Miss E made over a four-day period in October 2024. These were made in connection with a job opportunity with a pharmaceutical company "A" which involved completing 'tasks' to enhance A's charitable medicine program and promote its brand. Miss E was introduced to this role by a recruitment company "J" who reached out to her on an instant messaging service. She understood that she could earn wages through commission and a basic salary. Unfortunately, A and J had been impersonated by scammers.

After opening a 'work' account with A, Miss E could see the tasks she had been assigned. It was explained to her that certain tasks left a negative balance, and she would need to make the account positive before she could withdraw her earnings. To make that deposit, Miss E used her Revolut card to send money as instructed through her newly created account with an online remittance service "R1". At the time, she thought she was depositing funds to her work account, given the balance increased accordingly.

When her account balance with A kept going negative and she was instructed to add more money, Miss E realised she'd fallen victim to a scam. She contacted R1 initially and requested a refund and was told to contact Revolut. Revolut advised Miss E to raise a chargeback claim – which she did – but it was subsequently rejected.

Through her own efforts, Miss E established that the funds ultimately ended up in accounts held with "W" – another electronic money institution ("EMI") like Revolut. W advised Miss E to have Revolut reach out to it to facilitate the retrieval of some of the money that was recoverable. Miss E contacted Revolut accordingly, but it refused to contact W (or R1) and said it has declined her dispute because the transactions in question were classed as money transfer and the service was considered complete once the funds reached the beneficiary's account (i.e. Miss E's account with R1).

Unhappy with this, Miss E complained to Revolut before referring the matter to our service. Our investigator didn't think Revolut should reasonably have been expected to prevent the transactions when they were authorised by Miss E. In relation to the recovery of funds, the investigator explained that a chargeback was the recovery avenue, but Revolut didn't act unfairly in declining the chargeback claim. Also, they didn't consider that Revolut needed to have contacted R1 or W when Miss E made that request.

Miss E disagreed with the investigator's conclusions regarding Revolut's actions in relation to the recovery of funds. She asked for an ombudsman to review her complaint.

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'd like to start by saying I'm sorry to hear about Miss E's personal circumstances and how this incident has impacted her. I'd like to reassure Miss E and Revolut that although I've only summarised the background above, so not everything that's happened or has been argued is detailed, I have read and considered their submissions in their entirety.

Having taken into account longstanding regulatory expectations and requirements, and what I consider to be good industry practice, Revolut ought to have been on the look-out for the possibility of fraud and made additional checks before processing payments in some circumstances.

I've reviewed Miss E's account and the payments she made to the scam. Having considered when they were made, their value and who they were made to, I'm not persuaded Revolut ought to have found any of the payments suspicious, such that it ought to have made enquires of Miss E before processing them. While I acknowledge that the individual amounts involved were higher than the usual account spending on Miss E's account, I don't consider they were *that* unusual such that I think Revolut should reasonably have treated them as suspicious, particularly when there were no other concerning factors about the payments. These were card payments and the merchant in question is a popular online remittance service. What this means is that in the circumstances of what happened here, I don't consider Revolut acted unfairly or unreasonably in processing the transactions.

I've then considered whether Revolut took appropriate steps when it was notified about the scam. As the investigator explained, given these were debit card transactions the recovery avenue would have been limited to the chargeback scheme. It is a voluntary scheme run by each card scheme (such as Visa or MasterCard) primarily to resolve settlement disputes but can also be used to resolve disputes informally between a cardholder and a merchant.

There are limited situations in which a chargeback can be used to resolve a dispute between the cardholder and the merchant. Unfortunately, losing money to a scam isn't one of those situations. In Miss E's case, a chargeback would have had little chance of success given R1 (the merchant) would have been able to provide evidence that the service requested had been provided, i.e., money remittance.

Miss E feels very strongly that Revolut didn't reach out to R1 or W as requested, given she understood that this would help partially recover her loss. I acknowledge her frustrations as I can see she went to great lengths to trace her payments. While I appreciate Miss E says W asked her to get her bank to recall the payments, this isn't an option for card payments. Raising a chargeback against the merchant paid (here it's R1) is the only recovery mechanism available in relation to debit card payments. In the circumstances, I wouldn't expect Revolut to have contacted the ultimate beneficiary (i.e., W) directly – it had no basis to do so.

In conclusion, I realise that this outcome will come as a significant disappointment to Miss E. Despite my natural sympathy for the situation in which she finds herself due to the scammer's actions, for the reasons given, it wouldn't be fair of me to hold Revolut responsible for her loss.

My final decision

For the reasons given, my final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss E to accept or reject my decision before 24 March 2025.

Gagandeep Singh
Ombudsman