

The complaint

Ms G complains that Revolut Ltd won't refund her after she lost money to a scam.

What happened

The detailed background to this complaint is well known to both parties. So, I'll only provide a brief overview of some of the key events here.

In January 2023, Ms G made payments from her Revolut account to a number of different payees and merchants. In total this amounted to a sum of £4,400.43, of which £908.29 has since been returned to her. She made these payments in the belief that she had been recruited to a job working for a travel website. The job was to help inflate specific hotels' rankings on the travel website – to make it appear as though there was more interest in that hotel than there actually was.

She was told that for an hour's work each day she would earn significant sums, paid in cryptocurrency. However, she was required to pay in cryptocurrency to carry out the work.

Ms G set up a wallet with a major cryptocurrency exchange (which I'll call B). She initially bought cryptocurrency peer to peer (P2P), which the sellers transferred to her wallet with B. From there Ms G sent the cryptocurrency on to the address she'd been given by the job website.

After a few P2P purchases, Ms G switched to directly funding her wallet with B through payments she made from her Revolut account. That enabled her to purchase further cryptocurrency, and then once again send it on to the website.

However, after the payments she was being required to make escalated, Ms G began to suspect something wasn't right. She contacted the Police and the scam was uncovered.

Ms G reported the matter to Revolut through its chat facility. Revolut attempted to recover her funds, but was only able to retrieve a nominal sum. It refunded one of the card payments Ms G had made as a gesture of goodwill. But it said it wasn't liable to refund her for her overall losses – she had instructed Revolut to make these payments and it had done so.

Unhappy with this outcome and significantly out of pocket, Ms G referred her complaint to this service for an impartial review. She also raised concerns that Revolut had communicated with her about the scam by chat rather than having a phone number to discuss it with, as well as other service issues she'd found.

Our Investigator sympathised with what had happened to Ms G. But she didn't think Revolut needed to repay Ms G the money lost to this scam. She thought the payments wouldn't have appeared significantly unusual or out of character for Ms G, such that Revolut should have intervened rather than carry out her instructions. Ms G had been paying multiple payees so the pattern of payments wouldn't have been apparent to Revolut, and she'd made the payments online without any direct interaction with Revolut.

The Investigator also considered Ms G's comments about how Revolut had handled her claim and the use of chat for communication but didn't find it was at fault or needed to pay Ms G compensation for it.

Ms G didn't accept this. She thought Revolut should have noticed these payments. Some had been made at night which wasn't usual for her. She'd made some payments using Revolut's 'revtag' function which she hadn't done before. She hadn't made payments to B before either.

In light of this disagreement, I have been asked to review everything afresh and to reach a final decision on the matter.

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 to hear about the impact this scam had on Ms G. She's explained how difficult this has been for her. Ms G was the victim of a crime here. She was deceived by a scam that led her to believe she would earn a significant income working from home, but in reality she had to pay out her own money. She's been left out of pocket by a significant sum as a result.

However, the main cause of these losses were the scammers who deceived Ms G. For me to say Revolut is liable in this type of situation, I would need to find that it could and should have acted to prevent the eventual loss, or that it failed to meet its obligations in some other way.

Under the relevant regulations, and in accordance with general banking terms and conditions, Revolut has a primary obligation to execute an authorised payment instruction without undue delay. As a consequence, the starting position is that liability for an authorised payment rests with the payer, even if they made that payment as the consequence of a fraud or scam - for example as part of an employment scam such as this was.

There's no dispute that Ms G made the disputed payments using her security credentials, and so they were all authorised payments. In the first instance therefore, Ms G is liable for those payments.

However, I consider that as a matter of good industry practice a payment service provider, such as Revolut, should have been looking out for payments or payment patterns that were significantly out of character or unusual and that might therefore be indicative of the potential for financial detriment to its customer through fraud or a scam. So I've thought carefully about whether the available evidence demonstrates that Revolut did enough given the specific circumstances here.

Having said that, I must take into consideration that Ms G's account was held with an electronic money institution (EMI). EMIs operate within a different regulatory framework and have different FCA permissions to those of a bank or a building society. An EMI such as Revolut isn't subject to the same expectations as a bank.

I've looked at the disputed payments here and considered these against the prior history for Ms G's Revolut account. Having done so, I'm not satisfied Revolut should've been concerned or identified her as the potential victim of a scam.

I say this for a number of reasons. Individually, the payments were all for sums below £2,000. These were being made to several different apparently unconnected payees. So,

while Ms G would later move cryptocurrency to a single destination (and that destination being the scammer) Revolut could not have known this from the payment instructions Ms G gave it. And while the P2P transactions were payments to purchase cryptocurrency, it's not obvious that this would have been apparent to Revolut at the time.

I've thought about Ms G's point that she'd not previously used Revolut's 'revtag' payment identifier – but I don't think in itself that would have been so unusual – this is a feature that is presumably intended for primarily legitimate payments, and there was nothing else here to cause suspicion that these might not be.

By the point of the payments direct to B, with the exception of one payment these were under £30. The larger payment was less than £2,000 and again I simply don't think this would have appeared significantly unusual or remarkable compared to Ms G's usage of her account. She'd made similar sized (and larger) payments in the months leading up to the disputed payment.

Given all of this, and taking all the circumstances into account, I don't find that the transactions were that remarkable that Revolut was at fault for not intervening before carrying out Ms G's instructions.

I appreciate that this represents a lot of money for Ms G and that she's been seriously impacted by the loss of the funds. But while I've carefully considered all of the points Ms G has made, I do not find there was enough here for me to say that Revolut needed to intervene rather than fulfil its primary obligation to carry out her payment instructions. It had no sufficient grounds to do otherwise. I do not find it at fault in making the payments in line with Ms G's requests at the time and I can't fairly tell Revolut to reimburse Ms G.

Ms G is unhappy with how Revolut handled her fraud claim. Amongst other things she has highlighted the use of chat to communicate. I appreciate the distress this whole episode caused Ms G, she was the innocent victim of a cruel scam. But the principal cause of that distress were the scammers who deceived her.

I've also considered whether Revolut did enough to try and recover the funds after the fraud was reported. However, there wouldn't have been any successful prospect of a chargeback for the card payments, as Ms G received the services she paid for from B in the form of credits to her wallet with B and the use of those funds to purchase cryptocurrency. In terms of the bank transfers, Revolut attempted to recover the money Ms G had sent but only a small sum was available to recover at that point. I'm not persuaded Revolut could have reasonably done more to recover Ms G's funds.

Aside from this I've thought about how Revolut treated Ms G after she reported what had happened. But I don't find it was unfair or Revolut was otherwise at fault here and don't require it to pay Ms G compensation.

In summary then, I can't fairly say that Revolut was wrong to have carried out Ms G's instructions. Neither do I find it was otherwise liable to her.

I am sorry to have to disappoint Ms G and I understand this will be a significant disappointment to her. She has lost out through no fault of her own. She was cynically deceived by scammers who have deprived her of her money under false pretences. But Revolut was not responsible for the scammer's actions, and I don't find it could reasonably have stopped what happened or done more after the scam came to light.

My final decision

My final decision is that I don't uphold this complaint against Revolut Ltd.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms G to accept or reject my decision before 29 December 2023.

Stephen Dickie
Ombudsman