

The complaint

Miss P complains that Revolut Ltd won't refund money she lost when she fell victim to a job scam.

Miss P is being represented by solicitors in her complaint.

What happened

The detailed background to this complaint is well known to both parties. The facts about what happened aren't in dispute, so I'll focus on giving my reasons for my decision.

The complaint concerns several transactions totalling just over £8,650 which Miss P made in February 2023 in connection with a job opportunity – completing tasks – with a company "O" who contacted her on an instant messaging service.

Apart from the first payment of £16.48 which was sent to a third party, Miss P sent the funds to a cryptocurrency exchange for conversion into cryptocurrency, before sending it on to cryptocurrency wallets as instructed by O. She subsequently discovered that she'd fallen victim to a scam.

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.

Having done so, I agree with the conclusions reached by the investigator for the following reasons:

- Under regulations and in accordance with general banking terms and conditions, banks should execute an authorised payment instruction without undue delay. The starting position is that liability for an authorised payment rests with the payer, even where they are duped into making that payment. There's no dispute that Miss P made the payments using her security credentials, and so they are authorised.
- But in accordance with the law, regulations and good industry practice, a payment service provider, including an electronic money institution like Revolut, should be on the look-out for and protect its customers against the risk of fraud and scams so far as is reasonably possible. If it fails to act on information which ought reasonably to alert it to potential fraud or financial crime, it might be fair and reasonable to hold it liable for losses incurred by its customer as a result.
- I've looked at the operation of Miss P's account and I don't consider the first four disputed transactions (£16.48, £150, £300, and £1,190), to be that unusual such that I think Revolut ought to have been concerned and intervened. Also, the statements show prior transactions to the same cryptocurrency exchange which haven't been disputed.

- The fifth transaction (£2,400), which was made on the same day as last three transactions, was more than double in amount compared to the one before it. By that point, Miss P had instructed Revolut to send nearly £5,000 from her account to a cryptocurrency exchange in one day. By February 2023, there had been widespread coverage in the media about increased losses to cryptocurrency investment scams. In the circumstances of this case, I would have expected Revolut to have provided Miss P with a written warning about that tackling some of the typical features.
- But Miss P wasn't sending payments in connection with an investment. She understood she was using the cryptocurrency platform to deposit funds into her account to spend with her 'employer'. So, I'm not satisfied that the kind of warning I would have expected at that time – setting out the typical hallmarks of cryptocurrency investment scams – would have resonated with Miss P.
- What that means is that even though Revolut missed an opportunity here, I'm not convinced it would have led to a different outcome. I think it's more likely than not that Miss P would have seen a warning about investment scams involving cryptocurrency and disregarded it as she wasn't making an investment.
- I've also thought about whether Revolut could have done more to recover the funds after it became aware of the situation. Miss P didn't report the first payment – which went to a third party – to Revolut until a month later. Revolut says it contacted the beneficiary account provider, but no funds remained. That isn't surprising given fraudsters tend to move funds out of the recipient account fairly quickly in order to avoid them being recalled.
- In relation to the remaining payments, which were made using her debit card, the funds went to a cryptocurrency exchange. Miss P wouldn't be able to make a successful chargeback claim in the circumstances because the merchant she paid did provide the service requested (i.e., conversion of fiat money into cryptocurrency). So, I don't think Revolut was under any obligation to raise a chargeback dispute for Miss P.

In summary, I know that Miss P will be disappointed with this outcome. Not least because the matter has been ongoing for some time. I fully acknowledge that there's a lot of money involved here. Despite my natural sympathy for the situation in which she finds herself, 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 P to accept or reject my decision before 3 May 2024.

Gagandeep Singh
Ombudsman