

## **The complaint**

Ms M is unhappy that Revolut Ltd didn't intervene in payments she made, after falling victim to a job scam.

## **What happened**

The details of this complaint are well known to both parties, so I won't repeat everything again here.

In brief summary, Ms M was looking for work and in February 2023 she was contacted by (what she understood was) a recruitment agency. They explained they had some freelance work available and offered to put her in contact with a senior manager at that company. Ms M corresponded with the company and agreed to take on the role, which involved her completing tasks to promote visibility of the company's products. She was asked to set up a cryptocurrency account as part of the role.

Initially, Ms M was given credit to complete these tasks. She made a 'profit' from doing these which she was able to withdraw from her cryptocurrency account into her Revolut account. The tasks then required her to top up the account with her own funds, under the premise she would then earn back considerably more than this amount. This was in fact a scam, meaning that while Ms M paid in over £7,000 to this account, she didn't receive anywhere near what she sent.

Ms M complained to Revolut about the scam and the transactions she made. She believed it should've done more to prevent her losing these funds. It didn't agree and didn't uphold her complaint. She came to our service, but our investigator also didn't think Revolut needed to have done anything differently. Ms M disagreed and 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.

In broad terms, the starting position in law is that an electronic money institution (EMI) is expected to process payments that their customer authorises them to make. Here, while I accept under false pretences, it isn't disputed that Ms M made the payments herself from her Revolut account, and so I'm satisfied she authorised them. Therefore, Revolut is expected to process Ms M's payments and she is presumed liable for the loss in the first instance.

However, taking into account the regulatory rules and guidance, relevant codes of practice and good industry practice, there are circumstances where it might be appropriate for Revolut to take additional steps or make additional checks before processing a payment to help protect customers from the possibility of financial harm from fraud. This could be due to factors such as the recipient; amount of a payment/s; or whether the account activity looks out of character for the customer.

In this case, Ms M had only opened the Revolut account in the two weeks prior to making these payments and up until the scam, she hadn't made any card payments from the account. So there wasn't historical spending Revolut could use to assess whether the scam payments were unusual or out of character. I've therefore thought about whether the payments themselves, without any typical account usage available, were suspicious enough to have prompted Revolut to consider Ms M may have been at risk of financial harm from fraud.

The payments were made to a well-known, legitimate cryptocurrency exchange (Binance). And while there are known fraud risks associated with cryptocurrency, many of Revolut's customers use their services to legitimately invest in these platforms - particularly as many high street banks have applied limits or restrictions. I understand it was Ms M's high street bank blocking her payments that led her to use Revolut on this occasion. So Revolut has to strike a balance between allowing customers to be able to use their account, and stopping and questioning transactions.

I've considered whether the general activity and/or the amounts paid to Binance on Ms M's account ought to have prompted an intervention from Revolut.

Looking at Ms M's statements, her first interactions with Binance are two card payments of £0.00 (most likely setting up the card on her account) before she then receives a credit in from it of £49.02. Ms M then sends £86.71 to Binance and receives a further credit from it of £91.42. Between 16-18 February she sends 8 further payments to Binance, but the largest of these is £570, so in the context of Ms M's account and Revolut's responsibilities, I don't consider it did need to stop any of these payments, as they weren't suspicious.

Following the above payments, Ms M received a credit of £1,867.60. This, added to the two previous credits, meant she had received £2,008.04 into her account from Binance. So at this time, she was in profit by over £550. Ms M then moved £1,700 of this credit out of her account to other bank accounts. The following day she began sending funds to Binance again and that evening topped her Revolut account up with £1,500, before sending five further payments to Binance. So all of these transactions combined do then start to create a pattern of how her account is used.

Considering this activity and the general account usage, I can't agree with Ms M that Revolut needed to intervene on any of the payments she'd made up until this point. I don't think the values she was sending, or how these payments looked in comparison to her limited account usage, warranted an intervention.

However, she then sent a larger payment of £3,050 to Binance. When she attempted to send this larger payment, I would've expected Revolut to show her a tailored warning around cryptocurrency investment scams, as it could see she was sending a higher value payment to a known cryptocurrency provider. I understand it didn't do this. So I've then thought about whether a warning from Revolut could've prevented Ms M sending this payment.

Having done so, I'm not persuaded it would've prevented Ms M losing her funds, after all, she wasn't investing in cryptocurrency. She understood she was using the cryptocurrency platform to deposit funds into her account to spend with her 'employer'. So I'm not satisfied the kind of warning I'd have expected at this time would've stopped her from going ahead with the payments. The kind of risk Revolut would've been highlighting simply wouldn't relate to the situation she was in. And she was also heavily under the spell of the job scam by this point.

I also have to consider that Ms M's high street bank *did* stop her payments and it texted her telling her it had done so because it didn't allow payments to Binance. This text was sent

prior to Ms M sending any payments, or receiving any credits, on her Revolut account. But despite this text indicating further information was available to Ms M online around why the payment was stopped, she didn't look into this. She instead reached out to the scammers and followed their advice. Given this, it's unclear how much notice she would've paid, if any, to a warning or intervention from Revolut.

I understand Ms M is also unhappy that Revolut didn't stop the £3,050 payment after she realised she'd been the victim of this scam. However I'm satisfied that Revolut wasn't in a position to stop this payment. While it may have shown as 'pending' on Ms M's account, as Revolut explained to her, this doesn't mean it hadn't already processed it. Ms M had completed the necessary steps to authorise the payment with Binance and had authorised for this money to be taken in exchange for the cryptocurrency she sent to the scammer, so Revolut couldn't legitimately stop Binance taking this money.

In the same respect, Ms M wouldn't have been able to successfully claim this money back using the chargeback process. While I accept she was being deceived by the scammer, her transaction with Binance is separate to this interaction. She instructed Binance to use her funds to buy, and then send on, cryptocurrency. And it fulfilled this request, so she has received the service she paid for.

I understand Ms M has been the victim of an unfortunate job scam, but I don't agree that Revolut needs to refund her any of the money she lost to this. And there aren't any ways in which it can recover these funds for her.

### **My final decision**

For the reasons set out above, I don't uphold Ms M's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms M to accept or reject my decision before 8 March 2024.

Amy Osborne  
**Ombudsman**