

The complaint

Miss F is unhappy that Revolut Ltd has decided not to refund her after she was the victim of an authorised push payment scam.

What happened

Miss F applied for a number of jobs online and received a response via text message, to say she's been shortlisted for a commission-based role earning £80-£200 a day. Thinking it was for a well-known international airline, she agreed.

She was told she needed to open a new e-money account with Revolut as well an account with a crypto-currency trading platform (which I'll refer to as B). She was told she needed to deposit money into these accounts, which she would later be able to withdraw out again (this all formed part of the "job" she thought she was doing). Miss F opened the Revolut account on 27 October 2023.

In total, Miss F made eight card payments and one bank transfer from her Revolut account, totalling £3,806.34.

Miss F made three card payments to B on 27 and 28 October 2023. She reported these as unauthorised transactions to Revolut, using its online chat feature. She said she hadn't made the transactions and didn't recognise them. Revolut asked a few questions and raised chargebacks, but these were unsuccessful as Revolut concluded the transactions had been authorised by Miss F. Revolut asked Miss F further questions on 29 and 30 October 2023 but Miss F didn't respond.

Between 29 and 30 October 2023, Miss F continued to make card payments to B. Revolut's systems intervened with card payments three and six, declining them initially, saying it detected a potential scam. It asked Miss F to review the risks of making the payments and if she thought they were legitimate she could retry the payments and they wouldn't be declined. Miss F continued with the payments. The seventh transaction was a bank transfer to a named individual. Revolut's automated systems asked Miss F what the payment purpose was, Miss F selected paying friends and family and the payment reason as paying back for something they purchased on my behalf. Revolut says Miss F received a warning which said "*do you know and trust this payee? If you're unsure, don't pay them, as we may not be able to help you get your money back*". Revolut says Miss F acknowledged this warning and continued with the payment.

Revolut looked into Miss F's complaint. It said it wouldn't be refunding her in the instance and went on to explain why:

- For the bank transfer – Miss F was given a warning at the time - which was proportionate.
- For the card payments – fraud chargeback claims were raised and declined. Miss F originally claimed the initial payments as unauthorised which it found she had authorised. And a claim about a dispute would be for situations where the goods

and/or services were not supplied. Here neither chargeback would have been successful.

- This was an electronic money account which is typically used for crypto, so the payments from Miss F's account weren't unusual.
- Miss F authorised the payments from her account despite her saying initially they were unauthorised.

The payments from Miss F's Revolut account are in part funded by card payments from Miss F's bank account (held elsewhere). Whilst we haven't been provided with the full statements Miss F has been at least partially refunded for some of those payments by her bank. Miss F said this has had a huge impact on her well-being and health. She says Revolut haven't handled her complaint properly, they didn't ask her what happened and wants Revolut to properly investigate, so the scammers don't get away with it and she is compensated for her losses.

Unhappy with this outcome Miss F brought her complaint to our service.

One of our investigators looked into things. She concluded that Revolut may have made an error for the chargeback reason that it raised, but in any event, a chargeback wouldn't have been successful as Miss F paid for and received the crypto-currency. So, these were genuine payments and receipt of goods transactions.

She also went on to say that Revolut provided warnings and questioned the reasoning for the transfer as it was raised as suspicious. The warning wasn't relevant to the scam Miss F had fallen victim to, but the investigator said that intervention was proportionate. And although Revolut said there had been a call back request on two occasions, which wasn't fulfilled, she was satisfied this hadn't made a difference to the overall outcome of events. She concluded Revolut had attempted to be helpful and provided clear communication. Overall, she didn't recommend that Revolut was responsible to refund Miss F for her losses in this instance.

Miss F didn't accept that outcome. She said although she agreed that Revolut had asked what the payment was for, her other bank account provider had refunded her, so she thought Revolut ought to do the same. She complained the same day the money left her account and if Revolut had a telephone number she could have called and Revolut could have responded more quickly. And she added she would be happy with a partial refund to resolve the 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.

Miss F attempted to raise chargebacks for the debit card payments made to B in relation to this scam.

The chargeback scheme is a voluntary scheme set up to resolve card payment disputes between merchants and cardholders. The card scheme operator ultimately helps settle disputes that can't be resolved between the merchant and the cardholder. Such arbitration is subject to the rules of the scheme, meaning there are only limited grounds and limited forms of evidence that will be accepted for a chargeback to be considered valid, and potentially succeed. Time limits also apply.

Miss F was dealing with someone pretending to offer her a job, which involved her making card payments to B and then transactions from that platform on to the scammers. But, she paid a separate cryptocurrency trading platform (B). This is important because Revolut was only to process chargeback claims against the merchant she paid (B), not another party. The service provided by B would have been to convert or facilitate the conversion of Miss F's payments into cryptocurrency. Therefore, B provided the service that was requested; that being the purchase of the cryptocurrency.

The fact that the cryptocurrency was later transferred elsewhere – to the scammer – doesn't give rise to a valid chargeback claim against the merchant Miss F paid. As B provided the requested service to Miss F any chargeback attempt would likely fail. And the chargeback reason of fraud was not successful because Miss F authorised the payments and the fraud chargeback reason is for payments the consumer didn't make, which wasn't the case here.

Despite initially saying she didn't recognise and authorise the first payments to B, Miss F has now accepted she authorised all the payments. So, the starting point here is that Miss F is responsible. However, banks and other Payment Services Providers (PSPs) do have a duty to protect against the risk of financial loss due to fraud and/or to undertake due diligence on large transactions to guard against money laundering.

The question here is whether Revolut should have been aware of the scam and stepped in. And if it had stepped in, would it have been able to prevent the scam.

The investigator thought that the intervention by Revolut here was proportionate and I agree. Miss F set up a new account with Revolut and made small value card payments to B. Although she reported the first three card payments as fraudulent Revolut was able to determine that Miss F had in fact authorised them. Revolut intervened with card payments three and six with a warning. And although that warning wasn't specific to Miss F's circumstances, I'm satisfied the intervention was proportionate given the value and nature of the payments. Miss F wasn't truthful in her responses to the additional questions asked about the payment purpose for the bank transfer. But again, I'm satisfied that Revolut's responses here were proportionate given what it knew about the value and nature of the payments, and Miss F's responses to the questions she was asked.

There's an argument that Revolut ought to have been concerned that Miss F initially reported the first three card payments as unauthorised and before that matter was fully resolved she then carried on making payments to the same merchant – B. But I think given Miss F's actions and responses to the questions she was asked, its unlikely further or better intervention, would have made a difference. I'm not persuaded Revolut would have exposed the scam with further proportionate intervention or questioning.

Miss F argues that Revolut ought to have acted sooner when she reported the matter. But ultimately Miss F's card payments to B were for the purchase of cryptocurrency. So even if Revolut had been able to act sooner it's unlikely that it would have made a difference. That part of the overall scam involved a genuine purchase and wasn't of itself fraudulent.

Miss F received a partial refund from her bank account provider which included payments made into her Revolut account. So those funds in part have already been considered and refunded by another bank and Miss F wouldn't be entitled to a refund of those same funds with Revolut in any event.

Miss F was also unhappy with the service she received from Revolut. And I can see she has expressed how this issue has impacted her well-being. Ultimately the distress was caused by the scammers rather than Revolut. And I think Revolut did address her concerns at the time she raised them. I agree with investigator that the call-backs, although requested, didn't go ahead, but that wouldn't have changed the outcome of the overall complaint here and I'm

satisfied that Revolut didn't make an error in its overall consideration of Miss F's losses. So, I'm not making any compensation award.

My final decision

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss F to accept or reject my decision before 4 January 2024.

Sophia Smith
Ombudsman