

The complaint

Ms G complains that Revolut Ltd (Revolut) is refusing to refund her the amount she lost as the result of a scam.

What happened

The background of this complaint is well known to all parties, so I won't repeat what happened in detail.

In summary, Ms G was contacted via WhatsApp and offered a part-time role that included training with a company I will call X.

Ms G completed the training and started to complete set tasks. Ms G was required to complete 40 tasks before she could withdraw her commission. Ms G was also required to make several payments to reset the tasks before she could continue.

When the tasks were complete Ms G attempted to make a withdrawal but was asked to make further payments first, and realised, she had fallen victim to a scam.

Ms G made the following payments from her Revolut account:

Payment	Date	Payee	Payment Method	Amount
1	21 July 2023	Binance	Debit Card	\$45.00
2	22 July 2023	Binance	Debit Card	\$30.00
3	24 July 2023	Binance	Debit Card	\$125.00
4	25 July 2023	Binance	Debit Card	\$405.00
5	25 July 2023	Binance	Debit Card	\$1,400.00
6	25 July 2023	Binance	Debit Card	\$2,995.06
7	26 July 2023	Binance	Refund	\$2,995.06cr

Our Investigator considered Ms G's complaint and didn't think it should be upheld. Ms G disagreed, so this complaint has been passed to me to decide.

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.

It has not been disputed that Ms G has fallen victim to a cruel scam. The evidence provided by both Ms G and Revolut sets out what happened. What is in dispute is whether Revolut should refund the money Ms G lost due to the scam.

Recovering the payments Ms G made

Ms G made payments into the scam via her debit card. When payments are made by card the only recovery option Revolut has is to request a chargeback.

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.

Ms G was dealing with X, which was the business that instigated the scam. But Ms G didn't make the debit card payments to X directly, she paid a separate cryptocurrency exchange. This is important because Revolut would only have been able to process chargeback claims against the merchant she paid, not another party.

The service provided by X would have been to convert or facilitate conversion of Ms G's payments into cryptocurrency. Therefore, the cryptocurrency exchange 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 Ms G paid.

Should Revolut have reasonably prevented the payments Ms G made?

It has been accepted that Ms G authorised the payments that were made from her account with Revolut, albeit on X's instruction. So, the starting point here is that Ms G 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 intervened when the payments were being made. And if it had questioned Ms G, would it have been able to prevent the scam taking place.

I appreciate Ms G says Revolut should have intervened when she made the payments in relation to the scam. But the first payments Ms G made in relation to the scam (payments 1-5) were not for such significant values I would expect to have triggered Revolut's fraud prevention systems and prompted it to step in.

Payment 6 was for a more significant value and the third payment Ms G had made in the same day to the same payee. I think payment 6 should have caused Revolut to have concerns and it should have intervened. However, this payment was recovered and returned to Ms G. So, I don't have to consider this loss any further.

As I don't think it was unreasonable that Revolut didn't intervene for payments 1-5 I don't think it missed an opportunity to prevent these payments being made, and it is not responsible for Ms G's loss.

My final decision

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms G to accept or reject my decision before 10 January 2025.

Terry Woodham
Ombudsman