

The complaint

Mr H complains that Revolut Ltd won't refund the money he lost after falling victim to a scam.

What happened

Mr H is represented in this complaint by a claims management company. For simplicity I will refer to Mr H throughout this decision, even when referencing what his representatives have said on his behalf.

In May 2023, Mr H was contacted by someone who said they worked for a recruitment firm, advising him of a job opportunity. Mr H was told the job involved him completing tasks to increase the ranking of software in app stores. I'll refer to the company Mr H believed he was working for as A. Mr H was told he could earn commission, but that he would be able to earn more if he paid to unlock certain tasks.

As part of the scam Mr H opened a new account with Revolut to facilitate his payments. Over the course of around ten days Mr H made 17 payments to various accounts belonging to third parties as part of the scam. Mr H then fell victim to a further scam when he was convinced to send payments to a third party which he was told were for fees associated with taking out a loan, but this was not legitimate. Mr H raised these loan scam payments as with Revolut at the time, and Revolut told him he would need to try to get a refund from the person he had paid. It appears that Mr H did so, and the money for these fees was returned to him.

Mr H says he realised that the job was also a scam when he was told he'd have to pay significant fees to withdraw his profits, and when A's website then disappeared.

Mr H contacted Revolut about the scam payments and it looked into what had happened. Revolut said that it was unable to assess his complaint further without more detail regarding what had happened – it says this was because it had been given conflicting information about what kind of scam Mr H had been the victim of as he had not told it about the job scam when he told it about the loan scam payments.

Mr H wasn't happy with Revolut's response, so he brought a complaint to our service. An investigator looked into Mr H's complaint but didn't uphold it. The investigator did not consider that any further intervention from Revolut could have prevented Mr H's loss.

Mr H disagreed with the investigator's opinion, saying that making payments of over £5,000 in a 24-hour period should've warranted intervention by Revolut and that, had it asked appropriate questions, then the scam would have come to light and some of Mr H's loss could have been prevented. Mr H asked for an ombudsman to review the case.

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've reached the same overall outcome as the investigator, I'll explain why.

It's not disputed that Mr H authorised the payments that are the subject of this complaint. So as per the Payment Service Regulations 2017 (which are the relevant regulations in place here) that means Mr H is responsible for them. That remains the case even though Mr H was the unfortunate victim of a scam.

Because of this, Mr H is not automatically entitled to a refund. But the regulatory landscape, along with good industry practice, also sets out a requirement for account providers to protect their customers from fraud and financial harm. And this includes monitoring accounts to look out for activity that might suggest a customer was at risk of financial harm, intervening in unusual or out of character transactions and trying to prevent customers falling victims to scams.

Taking the above into consideration, I need to decide whether Revolut acted fairly and reasonably in its dealings with Mr H, or whether it should have done more than it did.

In this case, Mr H had newly opened his Revolut account, so there wasn't any previous account history or usage to compare the scam payments to. This means that the scam payments form the basis of what 'normal' account usage looks like for Mr H's account, and Revolut would be relying on generic indicators of risk when deciding if any particular payment merited further investigation.

I agree with our Investigator though that it is arguable that as the scam progressed the pattern of payments was unusual enough to have potentially merited intervention from Revolut. In particular, and as noted by Mr H, on 27 May 2023 he made eight payments to new payees within the space of a few hours, a significant increase in the spending on the account, and I think this should have caused some concern to Revolut.

However, I also note that Revolut evidently did have concerns about some of the payments Mr H was making. I can see that it blocked several payments on different dates and asked Mr H to confirm what the payments were for, on several occasions Mr H selected "cryptocurrency" in response to these queries and was then shown warnings relating to cryptocurrency scams. These warnings could have gone into more detail about the hallmarks of scams involving cryptocurrency. But, given the nature of the scam Mr H fell victim to, I'm not persuaded that Revolut providing a more detailed tailored warning relating to cryptocurrency scams would've resonated with Mr H or resulted in him not proceeding with the payment.

And I also don't think I can fairly say Revolut should've provided a tailored scam warning based specifically on a job scam, as it wouldn't have been clear that this was the potential risk that Mr H faced. I understand that Mr H argues he would have explained exactly what the payments were for if he had been contacted directly by Revolut – rather than receiving written warnings. But I'm not satisfied that I can fairly say that Revolut should've directly questioned or called Mr H, as I think a written warning would've been appropriate considering the nature of the payments. Specifically, none of the payments were for more than £1,800 and, bearing in mind the fact that Revolut was relying on generic risk indicators, these would not be considered particularly high value payments.

In any case, even if Revolut had intervened directly, it's not clear that Mr H would have heeded any advice he was given. He has supplied us with the detailed chat history between him and the scammer, and it is clear that he had significant concerns about the legitimacy of the scheme from fairly early on. By the 27 May 2023, he had stated that he believed it was a scam and would be getting the police involved, and yet he continued to make payments to the scammers, even though the warnings from Revolut also clearly stated that the payments

he was making were likely part of a scam. Mr H also raised his concerns about the loan scam on 30 May 2023 with Revolut, and yet didn't mention the job scam at that time, even though he clearly already had significant concerns about it.

I note that in his initial submissions Mr H also identified some payments from July 2023 as being linked to this scam, but I cannot see how those payments could be part of the scam given that Mr H appears to have stopped corresponding with the scammers in June 2023.

I've also thought about whether Revolut did all it could to try to recover Mr H's funds when he told it of the scam, and I'm satisfied it did. But, unfortunately, Mr H's funds had already been moved on by the scammers by that stage.

I'm sorry to disappoint Mr H as I know that he has lost a significant amount of money. But, overall, I'm satisfied that any reasonable, proportionate intervention from Revolut would not have prevented Mr H from making further payments to the scam. It follows that I don't think Revolut is liable for his loss and won't be asking it to refund any of his losses to him.

My final decision

I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 25 April 2024.

Sophie Mitchell
Ombudsman