

## The complaint

Mrs N complains that Revolut Ltd ('Revolut') won't refund the money she lost after falling victim to a scam.

## What happened

In June 2023, Mrs N was contacted by someone who said they worked for a recruitment firm, advising her of a job opportunity. Mrs N was told the job involved her completing tasks to increase the ranking of software in app stores. I'll refer to the company Mrs N believed she was working for as S. Mrs N was told that she would earn £45 for her first day and £600 after completing five consecutive days.

As part of the scam Mrs N opened a new account with Revolut. On the first day, Mrs N completed 30 tasks and was told that she had to pay to upgrade her account with S to a higher status. As a result, Mrs N made the following payments. All of these payments were made to purchase cryptocurrency from genuine sellers, with the cryptocurrency transferred to a cryptocurrency wallet in Mrs N's name, before being sent on to S. The first payment was made the same day that Mrs N opened her Revolut account.

Date	Time	Details	Amount
9.6.2023		Payment to S – individual payee	£ 85.00
11.6.2023		Payment to B – individual payee	£ 614.27
11.6.2023		Payment to B – individual payee	£1,112.74
11.6.2023		Payment to N – company payee	£2,062.00
12.6.2023		Payment to M – individual payee	£ 28.00
12.6.2023		Payment to N – company payee	£3,475.00
13.6.2023		Payment to C – cryptocurrency exchange	£2,000.00
20.6.2023		Payment to C – cryptocurrency exchange	£3,000.00
23.6.2023		Payment to N - warning given by Revolut	£1,320.00
24.6.2023		Payment to N – company payee	£1,325.00
28.6.2023		Payment to N – company payee	£1,000.00
28.6.2023		Payment to N – company payee	£1,795.00
28.6.2023		Payment to N – company payee	£2,710.00
30.6.2023		Payment to C – cryptocurrency exchange	£1,850.00
		Total Loss	£21,057.01

Mrs N says she had registered with the recruitment firm that the caller said they worked for, and as she was looking for additional income, was interested in the job. Mrs N googled S and she saw it was a legitimate US based company that offered software solutions for businesses. Mrs N had access to a platform online and could see the money she was making which convinced her the job was legitimate.

Mrs N says she was added to a group chat and her agent was always available if she had a question about the job. Also, there was customer support on the group chat which was really responsive.

Mrs N became aware it was a scam when she tried to withdraw her money and was told she had to deposit USDT 5,000. Mrs N raised a fraud claim with Revolut and asked them to refund her.

Revolut considered Mrs N's fraud claim but declined to refund her. Revolut told Mrs N they had a responsibility to process payments in line with the terms and conditions of her account.

Mrs N wasn't happy with Revolut's response, so she brought a complaint to our service.

An investigator looked into Mrs N's complaint but didn't uphold it. The investigator said that as it was a new account there was no previous history for Revolut to compare the transactions to, so they didn't feel Revolut should've identified a scam risk.

Mrs N disagreed with the investigator's opinion, saying that making payments of over £7,000 in a 24 hour period should've warranted intervention by Revolut. Also, as the payments were going to cryptocurrency purchases, Revolut should've been concerned. Mrs N asked for an ombudsman to review the case.

Having reviewed the case, I intended to reach the same outcome as the investigator but for different reasons. So, I wanted to share my reasoning with both parties and give them the opportunity to respond before I issued a final decision.

### **My provisional decision**

I issued my provisional decision on 14 March 2024, in it I said:

Having carefully considered all of the evidence I've reached the same overall outcome as the investigator but for different reasons, and I'll explain why.

In broad terms, the starting position in law is that Revolut are expected to process payments and withdrawals that a customer authorises it to make, in accordance with the terms and conditions of the customer's account and the Payment Services Regulations (PSR's). And I have taken that into account when looking into what is fair and reasonable in this case. But Revolut also has to be on the lookout for, and help to prevent, payments that could involve fraud or be the result of a scam.

It's not disputed that Mrs N made and authorised these payments, although I accept that this was as the result of a scam.

In this case, Mrs N had newly opened her 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 Mrs N's account.

However, Revolut identified a concern when Mrs N made the ninth payment as indicated in the table above. Revolut say this was because five payments had been made to new payees Mrs N had set up.

As a result, Revolut provided a warning which said:

**"VICTIMS LOSE MIILLIONS EVERY YEAR**

In 2020, in the UK alone millions lost £479m to bank transfer scams. It's important that you take care and do your research before making a payment as once funds have been received by a fraudster, they're difficult to get back.

## FRAUDSTERS ARE PROFESSIONALS

They'll try to trick you into sending them money by pretending to be someone you trust. They can make their calls, emails and advertisements seem legitimate."

Mrs N was also given a link to Revolut's website where she could read about scams on their blog and was offered the option to get advice from an agent – before proceeding with the payment. Mrs N clicked to proceed with the payment, without talking to an agent.

But, I think that Revolut should've identified that Mrs N was potentially at risk on the prior payment made on 20 June 2023, based on it being made to a cryptocurrency exchange and taking into account the size of the payment.

By January 2023, Revolut would've been aware of the frequency of cryptocurrency scams and the increased risk posed by payments that are obviously made in relation to cryptocurrency. In response, I would've expected Revolut to provide a tailored warning that explained how cryptocurrency investment scams work (which were prevalent at the time) and how a customer can protect themselves from falling victim to one.

In this case, Mrs N didn't fall victim to an investment scam, rather she fell victim to a job scam. So, I'm not persuaded that Revolut providing that tailored warning would've resonated with Mrs N or resulted in her not proceeding with the payment. And I'm not satisfied that I can fairly say Revolut should've provided a tailored scam warning based on a job scam, as it wouldn't have been clear that this was the potential risk that Mrs N faced. Also, I'm not persuaded that Revolut should've intervened or called Mrs N, as I think a tailored warning would've been appropriate considering the specifics of the payment.

Other than the payments to the cryptocurrency exchange, I wouldn't have expected Revolut to provide warnings or intervene on the other payments. I say this because while these payments were also made in relation to cryptocurrency, the payments went to individual payees, and some were made to a company that offers online trading. So, the link to cryptocurrency wouldn't have been as obvious as it was with the payments where the payee was a cryptocurrency exchange.

There are a number of factors that I have to take into account in deciding whether Revolut should have intervened. This includes what was good industry practice at the time Mrs N made the payments, the lack of any previous account history that Revolut had to compare these payments to, the specifics of the payments made and what is an appropriate action for Revolut to take factoring in all of this information.

For the reasons given, I think Revolut should've provided a tailored written warning when Mrs N made her payment of £3,000 on 20 June, however I'm not satisfied that this would've prevented Mrs N's loss.

I'm sorry to disappoint Mrs N as I know that she has lost a significant amount of money, a lot of which was borrowed. But, having carefully considered everything, I'm not satisfied that I can fairly hold Revolut liable for her loss, or ask them to refund her.

My provisional decision was that I didn't intend to uphold this complaint.

### **Responses to my provisional decision**

Mrs N responded and provided some points that she wanted to be considered. However, Revolut haven't responded.

Under the Dispute Resolution Rules (found in the Financial Conduct Authority's Handbook), DISP 3.5.13, says, if a respondent (in this case Revolut) fails to comply with a time limit, the ombudsman may proceed with the consideration of the complaint.

As the deadline for responses to my provisional decision has expired, I'm going to proceed with issuing my final decision. However, I think it's unlikely that Revolut would've provided any new evidence or information that would've changed the outcome of 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.

I've carefully considered the points Mrs N has raised and I'd like to reassure Mrs N that I accept she was the victim of a cruel scam. And, because of the scam, she's lost a lot of money, some of which was borrowed from friends. I also appreciate that this has caused Mrs N a lot of distress.

However, being the victim of a scam, doesn't necessarily mean that I can hold Revolut liable for the loss Mrs N suffered, or ask them to refund her.

I appreciate that the payments represent a lot of money for Mrs N. But Mrs N had opened her Revolut account as part of the scam, so there was no previous account usage for Revolut to compare the payments against. This makes it difficult to say that the payments were so unusual and out of character that I think Revolut should've been concerned about them. However, I still think Revolut should've identified a potential scam risk when Mrs N made the payment on 20 June 2023, which was made to a cryptocurrency exchange.

At this point, I think Revolut should've provided a tailored written warning explaining how cryptocurrency investment scams work and telling Mrs N how she could protect herself from falling victim to this type of scam. The reason I say Revolut should've provided a warning about cryptocurrency investment scams, is because this was the most prevalent type of cryptocurrency scam at the time Mrs N made the payment.

In this case, Mrs N fell victim to a job scam not an investment scam, but this wouldn't have been identifiable to Revolut based on the payments Mrs N was making. So, I wouldn't have expected Revolut to tailor the warning to a job scam. And, as the warning would've talked about investment scams, I think it's unlikely to have seemed relevant to Mrs N or impacted her decision to make the payments.

On that basis, while I think Revolut should've done more when Mrs N made the payment on 20 June, I'm not satisfied that it would've made a difference. Because of that, I can't fairly hold Revolut liable for Mrs N's loss or ask them to refund her.

### **My final decision**

My final decision is that I don't uphold this complaint against Revolut Ltd.

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

Lisa Lowe  
**Ombudsman**