

## **The complaint**

Mr I complains that Revolut Ltd won't refund money he lost when he fell victim to an employment scam.

Mr I is being represented by solicitors in this complaint.

## **What happened**

The detailed background to this complaint is well known to both parties. The facts about what happened aren't in dispute, so I'll focus on giving my reasons for my decision.

The complaint concerns eight transactions totalling just over £13,000 which Mr I made in March 2023 in connection with a job opportunity – completing tasks involving leaving reviews and rating items to boost sales – with a company “Q” who reached out to him on an instant messaging service. He understood that he could earn wages through commission and a basic salary which was paid in cryptocurrency. Mr I subsequently discovered that he'd fallen victim to a scam.

Mr I's Revolut account was opened as part of the scam. It was explained to him that he needed to make deposits in cryptocurrency into his account with Q as and when required to complete some of the tasks. To make that deposit, Mr I transferred money from his account with another business to Revolut, before making electronic payments from there to purchasing cryptocurrency. Once converted, the cryptocurrency was sent to cryptocurrency wallets in control of Q (although Mr I didn't know this at the time).

## **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 at law is that an Electronic Money Institution (“EMI”) such as Revolut is expected to process payments and withdrawals that a customer authorises it to make, in accordance with the Payment Services Regulations (in this case the 2017 regulations) and the terms and conditions of the customer's account.

But, taking into account relevant law, regulators rules and guidance, relevant codes of practice and what I consider to be good industry practice at the time, I consider it fair and reasonable that in March 2023 Revolut should:

- have been monitoring accounts and any payments made or received to counter various risks, including preventing fraud and scams,
- have had systems in place to look out for unusual transactions or other signs that might indicate that its customers were at risk of fraud (among other things). This is particularly so given the increase in sophisticated fraud and scams in recent years, which firms are generally more familiar with than the average customer,

- in some circumstances, irrespective of the payment channel used, have taken additional steps, or made additional checks, or provided additional warnings, before processing a payment – as in practice Revolut sometimes does,
- have been mindful of – among other things – common scam scenarios, how the fraudulent practices are evolving (including for example the common use of multi-stage fraud by scammers, including the use of payments to cryptocurrency accounts as a step to defraud consumers) and the different risks these can present to consumers, when deciding whether to intervene.

EMIs are set up with the purpose of sending and receiving money and the type of payments they're generally used for tends to be somewhat different to banks and building societies. Often, the payments will be for larger sums. Where there's no previous account history, as was the case here, what should reasonably strike Revolut as concerning for a first payment isn't down solely to the transaction amount involved. It's also worth noting that Revolut couldn't reasonably have known that the disputed transactions were cryptocurrency related, given Mr I's payments were to personal accounts of peer-to-peer sellers of cryptocurrency.

Revolut has said that it displayed a 'new payee' warning each time Mr I set up a new beneficiary. In this case, that would have been on five occasions. It has also said that on four occasions, it initially declined the transaction and provided a further 'highly suspicious transaction' warning to Mr I, asking him to click on a link to learn more about how to protect his money as well as review the Take 5 website. Revolut says on each occasion, Mr I could attempt the transaction again if he wanted to still go ahead.

Having carefully reviewed the transaction activity (i.e., the amounts involved, the payees, the frequency, etc.), I haven't seen any factors at play here such that I think Revolut should have taken additional steps beyond the provision of a general scam warning which it did.

Mr I's representative submits that sending over £5,000 to two different payees within a day is suspicious. Mr I did make three payments totalling just over £5,000, two of which went to the same payee. But considering the circumstances of those payments – and what Revolut knew about them – I don't agree that sending three payments to two payees which total just over £5,000 should have resulted in further enquiries being made like Mr I's representative has suggested.

Overall, I find that Revolut didn't act unreasonably in releasing the payments.

Thinking next about recovery of payments when Revolut became aware of the situation, I understand Revolut did contact the beneficiary account providers, but recovery was unsuccessful. I'm mindful that Mr I didn't report the matter to Revolut until November 2023 which is eight months after the transactions were made. Also, the payments were made to individuals selling cryptocurrency, who were very likely unconnected to the fraudsters. As the individuals were unlikely to be involved in the fraud, even if it were practical or possible to recover funds from them, it would be unlikely to be fair for that to happen (given that they'd legitimately sold cryptocurrency, which Mr I then forwarded on to the fraudsters).

In summary, I know that Mr I will be disappointed with this outcome. Not least because the matter has been ongoing for some time. I fully acknowledge that there's a considerable amount of money involved here. Despite my natural sympathy for the situation in which he finds herself, for the reasons given, it wouldn't be fair of me to hold Revolut responsible for his loss.

### **My final decision**

For the reasons given, my final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr I to accept or reject my decision before 23 October 2024.

Gagandeep Singh  
**Ombudsman**