

The complaint

Mrs C complains that Revolut Ltd won't refund several payments she says she made and lost to a scam.

Mrs C is represented by C and all references to Mrs C include comments made by C.

What happened

The details of this complaint are well known to both parties, so I won't repeat it all again here.

Mrs C says the following payments were made as a result of a job scam.

Payment number	Date	Amount
1	26 September 2023	£37
2	27 September 2023	£94.99
3	27 September 2023	£18.99
4	27 September 2023	£80
5	29 September 2023	£159
6	01 October 2023	£1,293.60
7	03 October 2023	£1,200
8	04 October 2023	£1,900
9	20 October 2023	£150
10	8 November 2023	£3,000
11	13 November 2023	£1,100
	Total	£9,033.58

In summary, Mrs C made payments to several different payees, for peer-to-peer cryptocurrency purchases, she also made payments to a cryptocurrency exchange platform.

Mrs C said she was contacted by someone who claimed to be recruiting for a new job role with an online marketing company. The scam required Mrs C to complete a set of tasks. Mrs C said she was told she would be paid £600 for every 5 days worked, plus commission. However, Mrs C said she was told to make payments to reset her work account when it

appeared to fall into a negative balance.

Mrs C said she realised she had been scammed after she had made several payments to the scammers, but she still couldn't withdraw her earnings or any of the money she had paid towards the account. Mrs C contacted Revolut, but it wouldn't refund the money she had lost.

Mrs C complained but Revolut didn't uphold the complaint. It said it provided sufficient warnings for the transactions and it did everything in its power to recover Mrs C's funds.

Mrs C didn't agree and referred her complaint to our service. Our investigator didn't think it should be upheld because he thought the actions Revolut took were proportionate to the risk associated with the payments Mrs C made.

Mrs C doesn't accept our investigator's opinion and she doesn't think Revolut should have taken the answers she gave at face value when it asked about the purpose of the payments. Mrs C also says it ought to have proactively challenged her responses.

As an agreement couldn't be reached, the 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.

Firstly, I want to clarify that I've taken into account the detailed submissions from both parties in reaching my decision. However, if there's something I've not mentioned, it isn't because I've ignored it. I haven't. Rather, I've focused on setting out what is key to my decision.

In broad terms, the starting position in law is that an electronic money institution such as Revolut is expected to process payments and withdrawals that a customer authorises it to make. There is no dispute here that Mrs C authorised the payments. And in accordance with the Payment Services Regulations and the terms and conditions of the account, Mrs C is responsible for the loss.

However, taking into consideration the relevant regulatory rules and guidance, codes of practice and good industry practice, Revolut should look at the wider circumstances surrounding transactions before making a payment. It should take steps to identify and where possible prevent sufficiently unusual or uncharacteristic payments to help protect its customers from financial harm resulting from fraud. So, I've thought about whether Revolut acted fairly and reasonably here, I think it did. I know this will be disappointing to Mrs C, but I'll explain why.

I think its important to highlight that there are many payments made by customers each day, and its not reasonable to expect a financial business to stop and check every payment instruction to try to prevent fraud or financial harm. There's a balance to be struck between the extent it intervenes in payments to protect customers, and not unnecessarily disrupting legitimate payment instructions.

I've reviewed Mrs C's account activity and I accept that the payments were to new beneficiaries, but I do not find the payments were sufficiently unusual to have caused Revolut concern. I say this because there are several transactions from the account of a similar value and most of the fraudulent transactions were of relatively low value. I also note that the pattern of transactions didn't look typical of a scam. There were 11 transactions

made to several beneficiaries, over a period of approximately six weeks and there were periods of over two weeks where there were no payments made.

I accept that Revolut ought to have been aware that payments 6, 7 and 8 were all identifiably made towards cryptocurrency. While cryptocurrency related payments can be considered high risk, not all payments are fraudulent. I've not found any official warnings regarding the merchant Mrs C made the payments to. And I don't find the payments here to have been sufficiently unusual or uncharacteristic of Mrs C's account usage to cause concern. Nor were they of a value that ought reasonably to have been concerning enough for Revolut to have intervened.

Nevertheless, Revolut did intervene on three transactions and asked further questions about the payment purpose. It also provided Mrs C warnings relevant to its fraud concerns. Mrs C stated that the purpose of the payments was to pay a friend or family member back for something they had purchased on her behalf. I appreciate Mrs C wasn't aware she was being scammed and was concerned about the money she had already paid towards the scam by this point. But as Mrs C's answers to the questions were inaccurate, I find this prevented Revolut from uncovering the scam and protecting Mrs C from financial harm.

Mrs C says it ought to have probed further, but I don't think it needed to. Revolut's intervention must not amount to interrogation and having reviewed the questions, I think they were appropriate to the scam risk associated with the payment purpose Mrs C gave. And if answered correctly, Revolut would likely have recognised Mrs C had fallen victim to a scam and stopped the payments.

Even if Revolut had probed Mrs C further, I'm not persuaded it would have been effective. I say this because, Revolut has shown that Mrs C stated that she was not being assisted in completing the questionnaire. However, I note that Mrs C sent screen shots of the questions to the scammer and was guided on the answers to give for the payments to be authorised. I find Mrs C was under the spell of the scammer, so much so that she actively sought guidance to answer Revolut's questions for the payments to be processed. I think it's likely that Mrs C would have continued to seek guidance from the scammer even if Revolut had asked further questions.

Recovery of funds

The nature of the majority of payments Mrs C made meant they were made directly to purchase cryptocurrency from individuals who were not involved in the same. In such circumstances, we wouldn't expect Revolut to recover the funds, as this would have been a genuine seller of cryptocurrency.

Furthermore, where payments are made because of fraud, we usually find the payment are moved on quickly by the scammers from the recipient account. In Mrs C's case the scam was reported around two months after the final payment was made. Unfortunately, I find there was no realistic prospect of recovering Mrs C's funds.

I understand that Mrs C has been a victim of a scam and lost out here, and I sympathise with her, but I can't hold Revolut responsible for her losses for the reasons I've outlined.

My final decision

For the reasons I've given, my decision is that I do not uphold this complaint .

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms C to accept or reject my decision before 14 January 2025.

Oluwatobi Balogun
Ombudsman