

The complaint

Miss S complains that Revolut Ltd hasn't refunded the money she lost when she fell victim to a scam.

What happened

Miss S was contacted on a mobile messaging service by someone saying they had a job offer for her. Miss S was told this job was to do with providing online reviews to help products sell. Miss S would need to complete a set number of 'tasks' a day to earn commission. Miss S agreed to take the job and was provided with some training and added to a group chat with others claiming to do the same work. She was also told to open an account with Revolut and a cryptocurrency wallet. After a trial set of tasks was completed Miss S was told she would need to pay to unlock further tasks, she did question this at the time, but was convinced to continue with the 'job' making various payments as it progressed. Unfortunately, and unknown to her at the time, Miss S was dealing with a scammer, there was no legitimate job.

Over the course of around a week Miss S made multiple payments to the scam from her account with Revolut. In total she made payments totalling £4,413 to buy cryptocurrency which she then passed on to the scammer. But when Miss S no longer had any more money available to pay into the scheme, and the scammer continued to demand payment before they would release her 'profits' Miss S realised she had been the victim of a scam, and contacted Revolut to let it know. The payments Miss S made are as follows:

Payment	Date	Time	Amount	Payee
Payment 1	18/02/2023	23:08	£45	Cryptocurrency wallet
Payment 2	19/02/2023	00:12	£193	Cryptocurrency wallet
Payment 3	19/02/2023	15:07	£470	Cryptocurrency wallet
Payment 4	19/02/2023	15:23	£1,028	Cryptocurrency wallet
Payment 5	19/02/2023	15:37	£907	Cryptocurrency wallet
Payment 6	19/02/2023	22:44	£1,770	Cryptocurrency wallet

Revolut looked into what had happened, but declined to refund any of Miss S's loss. It said it had been unable to recover any of Miss S' funds. Miss O didn't accept this, so she referred her complaint to our service.

One of our Investigators looked into her complaint. They thought Revolut should have taken steps to intervene by the time of Payment 4, but they did not consider that any proportionate intervention at that stage would have stopped the scam. They said this was because a proportionate intervention from Revolut at that time would have been a written warning, but any warning would have been tailored to a general cryptocurrency scams rather than to the specific job scam that Miss S was falling victim to. They also noted that the scammer was

guiding Miss S through what to do, and so they felt that any more in depth questioning from Revolut would have been counteracted by the scammer telling Miss S what to do, and that Miss S had her own concerns at various points during the scam but nonetheless went ahead with the payments.

Miss S remained unhappy, so her case has now been referred to me to reach a final decision.

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 Miss S 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 Miss S is responsible for them. That remains the case even though Miss S was the unfortunate victim of a scam.

Because of this, Miss S is not automatically entitled to a refund. Nonetheless, the regulatory landscape, along with good industry practice, 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 Miss S, or whether it should have done more than it did.

In this case, I agree with our Investigator that the first three payments Miss S made to the scam from her Revolut account were not unusual or out of character enough to have merited direct intervention from Revolut. These payments were relatively low in value, and although they were identifiable to a cryptocurrency wallet, given that Revolut had no account history against which to compare these payments, I don't think there was enough that was suspicious about these payments which ought to have caused Revolut any particular concern.

However, the next payment Miss S made established the pattern of several payments being made in quick succession, for increasing amounts, and to a recipient associated with cryptocurrency. Given Revolut's familiarity with the risk of scams associated with cryptocurrency, I think this emerging pattern should have caused it concern, and so it should have intervened in Payment 4 before allowing it to be made.

In my view, appropriate intervention here would have been for Revolut to provide Miss S with a written warning based on the characteristics of the payment she was making. And given that it was identifiable to cryptocurrency I think this warning should have provided details relevant to common cryptocurrency scams. However, at that time, such a warning would most likely have been focused on the most common types of scams – investment scams – rather than the job scam that Miss S was victim of. So, I can't see that the kind of warning Revolut would have provided at that time would have rung any alarm bells for Miss S.

And, even if Revolut had gone further and has asked some direct questions about what Miss S was doing and why, it is evident from her conversations with the scammer that she was being coached and guided on what to do. So, it seems likely that she would have continued

to do what the scammer told her to do, meaning that any intervention would have been limited in how effective it could be.

With this in mind, I don't consider that Revolut missed an opportunity to protect Miss S from this scam or to prevent her loss.

I've also thought about whether Revolut did all it could to try to recover Miss S' funds when she told it of the scam. I appreciate that Miss S feels Revolut could have stopped the final payment she made, but I don't agree that is the case. And given that the payments Miss S made were to her own cryptocurrency wallet before being passed on to the scammer, I don't consider there is anything Revolut could have done to recover those funds, there was no basis on which it would have been able to successfully raise a chargeback given that the merchant (the cryptocurrency wallet) had provided the service it had been asked to provide (the provision of cryptocurrency).

I'm sorry to disappoint Miss S as I know that she has lost a significant amount of money. And I want to be clear that I am in no way saying that what has happened is her fault. But, overall, I'm also satisfied that any reasonable, proportionate intervention from Revolut would not have prevented Miss S from making further payments to the scam. It follows that I don't think Revolut can be held responsible for her loss and won't be asking it to refund any of her losses.

My final decision

I do not uphold this complaint.

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

Sophie Mitchell
Ombudsman