

## The complaint

Mr P complains that Revolut Ltd did not refund a series of payments he lost to a scam.

## What happened

Mr P fell victim to a task-based job scam, after he was contacted via a messaging platform about a remote job opportunity. He was told he had to complete a certain number of tasks before he could withdraw his commission. Certain special tasks cost money to complete but earned more commission. To fund these, Mr P opened an account with Revolut as well as cryptocurrency wallets. Mr P made the following card payments from his Revolut account towards the scam:

Date	Amount (£)
22/10/2023	950
22/10/2023	2,000
22/10/2023	1,000
22/10/2023	2,000
22/10/2023	500

When Mr P was asked to pay more and more money before he could withdraw his commission, he realised he had been the victim of a scam. He raised a scam claim with Revolut who explained they had no grounds to raise a chargeback claim to try and recover his funds. And they felt they had acted fairly when they processed the payments.

Mr P referred the complaint to our service and our Investigator looked into it. They saw that the second payment in the chain was blocked by Revolut, and Mr P was given options for the payment purpose. He selected 'Investment' which did not match the payment purpose, so the Investigator said Revolut could not provide a relevant scam warning. They also felt the fourth payment should have flagged as suspicious and Mr P should have been referred to an in-app chat. But they did not think an intervention would have made a difference, as they did not think Revolut would have been able to identify that Mr P was the victim of a job scam.

Mr P's representative did not agree with the outcome. In summary, they felt Revolut should have asked more open-ended questions and if they had, the scam would have been revealed.

As an informal agreement could not be reached the complaint has been passed to me for 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.

I'm satisfied Mr P has been the victim of a job scam and I'm sorry he's had to go through this experience. As this complaint is against Revolut and not the scammer, I can only consider

their actions in this decision.

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 have been good industry practice at the time, I consider it fair and reasonable in October 2023 that 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;
- have acted to avoid causing foreseeable harm to customers, for example by maintaining adequate systems to detect and prevent scams and by ensuring all aspects of its products, including the contractual terms, enabled it to do so;
- 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 including in relation to card payments);
- 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.

I’ve reviewed Mr P’s statements and I think that by the fourth payment, Revolut should have had concerns about the transactions as a number of payments had been attempted to cryptocurrency in just one day. By that point almost £6,000 in payments had been attempted over the day and I think Revolut should reasonably have taken steps to understand the purpose of the payment before processing it. And I think a proportionate response to the risk level the payment posed was to refer Mr P to the in-app chat feature for further questioning.

I’ve therefore considered whether further questioning from Revolut would reasonably have uncovered the scam. It isn’t possible for me to know exactly what would have happened in this situation, so I’ve considered all of the evidence available to me to determine what I think is *more likely* in the circumstances. This evidence includes interactions with Revolut about other payments, Mr P’s testimony and the communications between him and the scammer.

I can see the second payment attempted to the scam was paused by Revolut for further questioning. This was via automated questions which allowed Mr P to select answers from a drop-down list. In this, Mr P was given the option to select the payment purpose as ‘*to complete a task on a job hiring process*’ which best matched the situation he was in. However, instead he selected ‘investment’, which did not correspond with the correct payment purpose. As a result, Mr P was given investment scam warnings by Revolut, which weren’t relevant to the scam he was the victim of.

I've reviewed the chat between Mr P and the scammer, and I can see that when Mr P encountered problems with Revolut blocking payments, the scammer suggested they answer the questions together in order to prevent more questions from them. Mr P sent the scammer screenshots of what Revolut was asking, and they guided him in the answers to ensure the payments went through. Mr P has confirmed the scammer told him to say the payments were going to his own personal account and not to mention any other reason or the transactions would be rejected.

I therefore think it is unlikely that Mr P would have revealed the true payment purpose had the fourth payment been referred for further checks in the in-app chat, as he was deep under the spell of the scammer at that point. So, I don't think Revolut could reasonably have revealed the scam to provide a relevant warning. I therefore don't think Revolut missed an opportunity to meaningfully reveal the scam and I don't recommend that they reimburse Mr P in the circumstances.

Revolut have said they did not have any grounds to raise a chargeback claim, as Mr P had paid for a legitimate service from merchants, in the form of cryptocurrency. A chargeback is a voluntary scheme run by card issuers intended to resolve disputes between consumers and merchants. I agree that Revolut did not have grounds to raise a chargeback claim in the circumstances, as the merchants had provided the service Mr P paid for, namely purchasing cryptocurrency.

### **My final decision**

I do not uphold Mr P's complaint against Revolut Ltd.

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

Rebecca Norris  
**Ombudsman**