

The complaint

Miss E complains about Revolut Ltd.

She says that Revolut didn't do enough to protect her when she became the victim of a scam and would like it to refund her the money she has lost as a result.

What happened

Miss E was contacted out of the blue by an individual offering a flexible remote job. At the time, Miss E wasn't actively looking for work, but was interested in the opportunity due to financial circumstances.

It was explained to Miss E that she would need to purchase 'tasks' with cryptocurrency, and that she would then earn commission and bonuses, and that she would need to complete the tasks on the app which would be provided. Unfortunately, the supposed opportunity was actually a scam.

Miss E has made payments from the scam from several accounts, including her account with Revolut, which I have listed below.

Payment	Date	Payee	Payment type	Amount
1	28 June 2023	KC	Card – successful	£71
2	30 June 2023	KC	Card – successful	£139
3	1 July 2023	KC	Card – successful	£251
4	1 July 2023	KC	Card – successful	£50
5	2 July 2023	KC	Card – successful	£1,173.76
6	2 July 2023	KC	Card – successful	£20.27
7	2 July 2023	MP	Card – successful	£2,740
8	3 July 2023	MP	Card – successful	£2,500
9	3 July 2023	MP	Card – successful	£2,500
10	4 July 2023	MP	Card - declined	£1,910
11	4 July 2023	NT	Faster Payment - successful	£1,810
12	5 July 2023	NT	Faster Payment - successful	£2,600
13	5 July 2023	NT	Faster Payment - successful	£2,000
14	6 July 2023	NT	Faster Payment - successful	£1,880
15	10 July 2023	NT	Faster Payment - successful	£2,580
16	10 July 2023	NT	Faster Payment - successful	£2,530
17	17 July 2023	KC	Card - declined	£2,600
18	18 July 2023	KC	Card – successful	£720
19	26 July 2023	NT	Faster payment - declined	£2,390
			Total loss	£23,565

After the scam was uncovered, Miss E made a complaint to Revolut, and said that it hadn't done enough to protect her from the scam. Revolut didn't uphold her complaint.

Unhappy, Miss E brought her complaint to this Service.

Our Investigator looked into things, but also didn't think that her complaint should be upheld. They said that while Revolut should have done more than it did, they weren't persuaded that a better intervention would have made a difference to Miss E's loss, as she would still have wanted to continue to make the payments.

Miss E asked for an Ombudsman to make a final decision, so the complaint has been passed to me.

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 decided not to uphold this complaint, for broadly the same reasons as our Investigator. I know this will be disappointing for Miss E, so I'll explain why.

In broad terms, the starting position at law is that banks and other payment service providers (PSP's) are expected to process payments and withdrawals that a customer authorises it to make, in accordance with the Payment Services Regulations and the terms and conditions of the customer's account. And I have taken that into account when deciding what's fair and reasonable in this case.

Miss E authorised the payments in question here – so even though she was tricked into doing so and didn't intend for the money to end up in the hands of a scammer, she is presumed liable in the first instance.

But this isn't the end of the story. As a matter of good industry practice, Revolut should also have taken proactive steps to identify and help prevent transactions – particularly unusual or uncharacteristic transactions – that could involve fraud or be the result of a scam. However, there is a balance to be struck: banks had (and have) obligations to be alert to fraud and scams and to act in their customers' best interests, but they can't reasonably be involved in every transaction

Taking into account the law, regulator's rules and guidance, relevant codes of practice and what I consider having been good industry practice at the time, I consider Revolut should fairly and reasonably:

- Have been monitoring accounts and any payments made or received to counter various risks, including anti-money laundering, countering the financing of terrorism, and 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 banks 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, before processing a payment, or in some cases declined to make a payment altogether, to help protect customers from the possibility of financial harm from fraud.

In this case, I need to decide whether Revolut acted fairly and reasonably in its dealings with Miss E when she authorised payment from her account or whether it could and should have done more before processing them.

Looking at the payments Miss E made, I don't think that Revolut needed to intervene with payments 1-6 – as I don't think that the payments were sufficiently unusual or suspicious enough for it to have been concerned that Miss E may be falling victim to a scam or was in danger of financial harm. However, by payment 7, I think that Revolut should have had concerns that a pattern was emerging that would be a cause for concern – and it has shown that it blocked payments at this point and got in touch with Miss E to discuss what was going on through it's in app chat.

Looking at the conversation that took place, while Revolut did question Miss E about what she was doing and provide her with a generic warning about the payment she was trying to make, I don't think it went as far as it should have done, given that the payments were increasing in value and going to a crypto exchange. However, while I don't think that it went far enough, I would need to be satisfied that a better intervention would have prevented Miss E's loss, and I don't think that it would. I'll explain why.

- On the 28 June 2023, Miss E also attempted to make a payment of £71 from her account with H – but it blocked the payment and spoke with her about what she was doing. Miss E divulged to H that she was making the payment as part of a job opportunity and was told by H that this was definitely a scam, and that she should not continue, and the payment didn't leave the account. It also provided her with some advice for protection her personal details. This was prior to the first payment made from her account with Revolut.
- On 2 July 2023, Miss E was moving money from her account with B to her account with Revolut. It blocked the payment and asked her about it. She told it that she hadn't been instructed to open an account with Revolut when asked, even though this wasn't the case.
- On 10 July 2023, B again blocked another payment Miss E was making to Revolut – this time she told it she was putting funds together to apply for a mortgage – but again this wasn't true.
- I am also aware that Miss E took out loans to fund the scam – and told the lenders that the funds would be used for home improvements.

While I don't blame Miss E for what happened as she was clearly being coached and manipulated by the scammer who promised her a high return at a time she was trying to improve her financial situation, Miss E was clearly told that the 'job' opportunity was a scam, but decided to continue making payments from another account regardless of what she had been told. She was also prepared to conceal what she was actually doing too. So, I don't think that Revolut could have done anything that would have prevented her from wanting and continuing to make the payments.

Finally, I don't think that there was anything Revolut could have done to try and recover the money Miss lost to the scam – the payments made were to a genuine crypto exchange and was provided with the crypto. Miss E then transferred this crypto on to the scammer. So, there would be no way of getting the funds back.

I am very sorry for the situation Miss E now finds herself in – she has lost a lot of money and is understandably upset by what has happened. But her losses were caused by the scammer – not Revolut. And I can't ask it to refund her when I don't think it would have prevented her making the payments.

My final decision

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss E to accept

or reject my decision before 24 October 2024.

Claire Pugh
Ombudsman