

## **The complaint**

Mrs T complains that Revolut Ltd (Revolut) is refusing to refund her the amount she lost as the result of a scam.

Mrs T is being represented by a third party. To keep things simple, I will refer to Mrs T throughout my decision.

## **What happened**

The background of this complaint is well known to all parties, so I won't repeat what happened in detail.

In summary, Mrs T received a WhatsApp message from an individual claiming to be from the recruiter Glassdoor Recruitment (X). X explained a remote working position was available where the salary would be dependent on the effort Mrs T put in. Mrs T expressed her interest in the role and received a second call.

X explained that Mrs T would be working for Google Hotel Ads providing reviews for hotels to help improve their ratings, promote their facilities, and improve their bookings.

Mrs T was added to a group chat with others working in the same role and was able to set up an account on what appeared to be a professional platform from which she could perform the job.

Mrs T says that overall, the job being offered seemed legitimate and X was very convincing throughout.

X explained that Mrs T would have to make deposits into the platform each day to start her tasks and that the more she paid the greater return she could make. Mrs T started to make these payments from an account she held elsewhere and could see she was making a return which she says added to her belief that X was genuine.

Mrs T continued the role and found she was coming across different bonus tasks that would put her account in a negative balance. Mrs T was required to clear the balance by making a payment but was promised higher returns as a result. X explained that Mrs T was lucky to receive these tasks.

Mrs T continued and was able to make a small withdrawal from the platform which Mrs T says added again to her belief she was working within a genuine role. X then suggested that Mrs T should open a Revolut account dedicated to her new role which she did.

Mrs T continued to complete the tasks required within the role and making payments from her new Revolut account when receiving further bonus tasks.

Mrs T continued to progress and soon became a "VIP level S". Her role included booking hotels and she was asked to make a payment of £20,000 to make a withdrawal. Mrs T explained she couldn't make the payment but was encouraged further by X explaining it

would help Mrs T, and she would receive a discount on the payment meaning she wouldn't have to pay the full amount.

After making the payment from an account Mrs T held elsewhere X explained the discount could not be applied and Mrs T would have to make a further amount of around £10,000 before a withdrawal could be made.

Having made further payments as directed by X Mrs T was still unable to make a withdrawal and X continued to pressure her into making more payments. Mrs T asked for her money back and not to receive any commission, but X refused. It was at this point that Mrs T realised she had fallen victim to a scam.

X then messaged Mrs T insulting her and thanking her for the money, confirming that a scam had occurred.

Mrs T made the following payments in relation to the scam from her Revolut Account:

<u>Payment</u>	<u>Date</u>	<u>Payee</u>	<u>Payment Method</u>	<u>Amount</u>
1	19 September 2023	Simplex	Debit Card	£1,501.65
2	19 September 2023	Simplex	Debit Card	£2,013.17
3	19 September 2023	Simplex	Debit Card	£1,808.57
4	20 September 2023	Simplex	Debit Card	£1,510.82
5	20 September 2023	Simplex	Debit Card	£1,510.70

Our Investigator considered Mrs T's complaint and didn't think it should be upheld. Mrs T disagreed, so this 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.

It has not been disputed that Mrs T has fallen victim to a cruel scam. The evidence provided by both Mrs T and Revolut sets out what happened. What is in dispute is whether Revolut should refund the money Mrs T lost due to the scam.

#### *Recovering the payments Mrs T made*

Mrs T made payments into the scam via her debit card. When payments are made by card the only recovery option Revolut has is to request a chargeback.

The chargeback scheme is a voluntary scheme set up to resolve card payment disputes between merchants and cardholders. The card scheme operator ultimately helps settle disputes that can't be resolved between the merchant and the cardholder.

Such arbitration is subject to the rules of the scheme, meaning there are only limited grounds and limited forms of evidence that will be accepted for a chargeback to be considered valid, and potentially succeed. Time limits also apply.

Mrs T was dealing with X, which was the business that instigated the scam. But Mrs T didn't make the debit card payments to X directly, she paid a separate cryptocurrency exchange (Simplex). This is important because Revolut would only have been able to process chargeback claims against the merchant she paid (Simplex), not another party (such as X).

The service provided by Simplex would have been to convert or facilitate conversion of Mrs T's payments into cryptocurrency. Therefore, Simplex provided the service that was requested; that being the purchase of the cryptocurrency.

The fact that the cryptocurrency was later transferred elsewhere – to the scammer – doesn't give rise to a valid chargeback claim against the merchant Mrs T paid.

*Should Revolut have reasonably prevented the payments Mrs T made?*

It has been accepted that Mrs T authorised the payments that were made from her account with Revolut, albeit on X's instruction. So, the starting point here is that Mrs T is responsible.

However, banks and other Payment Services Providers (PSPs) do have a duty to protect against the risk of financial loss due to fraud and/or to undertake due diligence on large transactions to guard against money laundering.

The question here is whether Revolut should have been aware of the scam and intervened when Mrs T was making the payments. And if it had intervened, would it have been able to prevent the scam taking place.

Mrs T was making payments to a well-known cryptocurrency exchange. At the time the payments were being made Revolut would have been aware of the increased risks associated with such payments so I think when Mrs T made the second payment (bringing the total to more than £3,000 in the same day) it should have had concerns and provided a tailored warning about the risks of cryptocurrency related scams.

When Mrs T made payment three, she had made three payments to the same cryptocurrency exchange within the same day totalling more than £5,000. I think at this point Revolut should have had further concerns and provided a human intervention asking Mrs T specific questions designed to uncover any scams that were taking place.

But even if Revolut did intervene, as I think it should have, I don't think it would have made a difference.

I say this because the funds Mrs T sent from her Revolut account originated from another account she held elsewhere. When Mrs T transferred the funds to her Revolut account the operator of the other account did provide a human intervention and discussed the payments with Mrs T.

Mrs T explained she was making the payments to her Revolut account as she was travelling to America for three weeks and would be using the account while travelling. Mrs T also confirmed no one was asking her to make the payments and that they weren't going anywhere else.

With the above in mind, I don't think Mrs T would have been any more honest if she was asked similar questions by Revolut and would have likely provided a different reason for the payments being made from her Revolut account that would have made it difficult for Revolut to uncover the scam.

Mrs T says it is unfair to assume she would not have been honest with Revolut, or that Revolut would not have uncovered the scam had it intervened, but I don't agree. Mrs T was clearly willing to give false information to her bank in order to have the payments processed and I don't have enough to say her approach to Revolut's questions would have been any less evasive.

As I don't think Revolut was able to prevent the scam from taking place, it is not responsible for Mrs T's loss.

**My final decision**

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs T to accept or reject my decision before 25 October 2024.

Terry Woodham  
**Ombudsman**