

Complaint

Mrs O complains that Revolut has refused to reimburse her for payments she made in connection with a job scam.

Background

In June 2023, Mrs O received a message from someone claiming to be a recruitment consultant, offering her a remote-working role. At the time, Mrs O was actively seeking employment and had shared her details with recruitment companies. As such, she says she didn't find the message unusual and expressed interest in the opportunity.

Shortly after, she was contacted by someone claiming to represent the prospective employer. The role was described as completing tasks on an online platform to enhance product visibility and improve sales. Mrs O was instructed to create an account on the employer's platform, which displayed a balance. When this balance became negative, she was required to fund the account by making cash deposits.

Mrs O used her Revolut account to make several payments in connection with the scheme. Some payments were made to a third-party cryptocurrency exchange, where her deposits were converted into cryptocurrency and transferred to the fraudster. Other payments were "push to card" transactions, where funds were sent directly to a debit card belonging to another individual. In total, she paid a little over £10,000 in connection with the scam. When she realised she had fallen victim to a scam, she reported it to Revolut. However, Revolut declined to reimburse her.

Mrs O wasn't happy with that response and so she referred her complaint to this service. It was looked at by an Investigator who didn't uphold it. Mrs O disagreed with the Investigator's findings. Mrs O's representatives pointed out that, for several of the payments, she selected 'safe account' as the payment purpose when Revolut queried it. This was at the suggestions of the fraudster, but it says that Revolut should've regarded this as a red flag.

Since Mrs O disagreed with the Investigator's view, the case has been passed to me to consider and come to a final decision.

Findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

In broad terms, the starting position at law is that a firm is expected to process payments and withdrawals that a customer authorises, in accordance with the Payment Services Regulations (in this case, the 2017 regulations) and the terms and conditions of the customer's account. However, that isn't the end of the story. Good industry practice required that Revolut be on the lookout for account activity or payments that were unusual or out of character to the extent that they might indicate a fraud risk. On spotting such a payment, I'd expect it to take steps to warn the customer about the risks of proceeding. The extent of such a warning ought to be proportionate to the risk presented by the payment

In Mrs O's case, there were several points where Revolut could have intervened. For example, on 20 July 2023, Mrs O made a payment of £6,000 to a third-party cryptocurrency exchange. This payment was refunded due to a problem with the receiving account. Given the high value and the nature of the transaction, I think this payment required some kind of intervention on Revolut's part. From the evidence I've seen, that didn't happen here.

However, just because I've identified a shortcoming on Revolut's part, that doesn't automatically mean it needs to pay Mrs O a refund. I need to be persuaded that its shortcoming was the cause of her losses. In coming to a decision on that, I must consider whether a proportionate intervention would likely have prevented the fraud. Mrs O's representatives have shared the messages she exchanged with the scammers. These show that she relied heavily on their guidance in navigating the payment process. From what I've seen, she regularly sent screenshots of the Revolut platform back to the scammer and asked for guidance on what to do next. This led to her providing inaccurate answers to Revolut's questions about the purpose of some of these payments.

In view of that, it's hard to not draw inferences as to how Mrs O would've responded if Revolut had queried the £6,000 attempted payment. Even if it had directed her to interact with one of its employees in the in-app chat function, it seems more likely than not that she'd have sought the scammer's guidance on how to answer its questions. This meant it was highly unlikely that Revolut's intervention could've prevented the fraud.

I've considered the other arguments that have been raised by her representatives. I agree that, where a customer tells a firm that they think they're transferring money to a safe account, it should be concerned about the strong possibility that they're falling victim to fraud. But even if Revolut had responded to the risk appropriately (for example, by displaying a tailored warning focusing on safe account scams) it wouldn't have resonated with Mrs O because she wasn't actually being targeted by such a scam.

For the sake of completeness, I've also considered whether Revolut did everything I'd have expected in terms of recovering her funds from the receiving accounts. Unfortunately, I don't think there's much more it could've done in that respect. Some of these payments were made to a cryptocurrency e-wallet in Mrs O's name held at a third-party firm. The scammer then persuaded her to transfer those funds on to an e-wallet under their control – as a result, none of Mrs O's funds remained in the account she paid. In respect of the other payments, Mrs O didn't notify Revolut until six days after she made the last payment. Fraudulently acquired funds tend to be moved on as quickly as possible to frustrate attempts at recovery, so I think there wasn't a realistic prospect of any of Mrs O's funds being recoverable.

Overall, while I agree that Revolut should've done more here in terms of fraud prevention, I'm persuaded that its failure to intervene was not the cause of Mrs O's losses. I don't say any of this to downplay or diminish the fact that she has fallen victim to a cruel and cynical scam. I have a great deal of sympathy for her and the position she's found herself in. However, my role is limited to looking at the actions and inactions of Revolut and I'm satisfied it wasn't the cause of her losses here.

Final decision

For the reasons I've explained, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs O to accept or reject my decision before 17 January 2025.

James Kimmitt

Ombudsman