

The complaint

Mr B complains that Revolut limited won't refund him money he lost to a scam.

What happened

Mr B says he was looking for another income stream when he was approached by someone, over a popular instant messaging application, claiming to represent a well-known recruitment firm. They explained they were hiring for a freelance role.

He researched the recruitment firm via the internet and was satisfied it was genuine, so he responded to express his interest and was contacted by another person – "E". E gave Mr B more details about the job, which involved working for a firm named "K", completing three sets of 40 tasks per day, rating products, for which he would be paid commission. He was asked to download an application. He researched K on the internet and it appeared to be a legitimate company, the logos on the application appeared to be similar and it seemed to be genuine.

Mr B says E told him to set up accounts with Revolut and a cryptocurrency trading platform. The cryptocurrency account appears to have been required because he was to be paid commission in cryptocurrency.

He was able to access an online account through the application E had asked him to download and was able to carry out the tasks that had been assigned to him. E credited his account, which allowed him to complete the second set of tasks. It was then that Mr B received a "premium" task, which required him to deposit money before he could complete the task. He queried this with E, but was told it was all part of the process and he would get his money back along with his commission. Mr B made a deposit of £300.

Mr B says he was told it was easy to withdraw money from his account with the company and E advised that he had returned the profits Mr B had made from completing his tasks. Two payments were made to Mr B's Revolut account on 26 May 2023 from the scammers. This led him to believe the job was genuine and he would be able to access his money. He made further deposits, as required, between 26 - 28 May 2023, but when he was asked to deposit £8,110, he says he realised he had fallen victim to a scam and contacted Revolut.

Mr B says he made the following payments to the scammers:

Date and time	Type of payment	Amount	Recipient
25/05/2023	Bank transfer	£300	Own account
26/05/2023	Bank transfer	£20	Own account
26/05/2023	Push to card payment	£495.97	Payee 1
26/05/2023	Push to card payment	£35.38	Payee 1
26/05/2023	Push to card payment	£1,409.80	Payee 2
26/05/2023	Bank transfer	£89.00	Own account
28/05/2023	Push to card payment	£2,183.81	Own account
28/05/2023	Push to card payment	£1,854.71	Own account

28/05/2023	Push to card payment	£64.79	Own account
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Revolut said it wasn't at fault. It processed payments that had been authorised by Mr B. When he made payments to new payees, he would have received a warning on his Revolut application saying *"Do you know and trust this payee? If you're unsure don't pay them, as we might not be able to get your money back"*. It said it had done everything possible to try and recover Mr B's money.

Mr B referred the complaint to us through a professional representative. He said Revolut failed to intervene in any of the transactions and failed to provide effective fraud warnings. He felt there were obvious signs of fraud, including: a sudden increase in spending, transfers to other accounts in his name, payments of large and unusual amounts, financial activity that matched known fraud patterns and large amounts of money coming into the account and being transferred out again. He says all the payments were made to new payees linked to cryptocurrency.

One of our investigators considered Mr B's complaint, but he didn't uphold it. He didn't think the pattern of payments was particularly unusual or suspicious, considering Mr B had said he had opened the account in order to make transfers and the payments weren't particularly high-value. As such, he didn't think Revolut had missed an opportunity to intervene when it should have and was not responsible for Mr B's loss.

Mr B didn't accept the investigator's assessment. He said Revolut hadn't given any warnings that his transactions could be part of a scam. He would have expected Revolut to have been able to identify that this was a scam.

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.

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 date 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;
- 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); and
- 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.

Having considered the circumstances of Mr B's complaint carefully, I'm not upholding his complaint.

Mr B's account with Revolut was newly opened, on 21 May 2023, so there wasn't a transaction history on which to base any decisions about whether the transactions were out of character for this account. Revolut says Mr B gave the account opening purpose as "transfers", so Revolut might reasonably have expected the account to be used for making payments to a variety of payees, perhaps internationally. But I would still have expected Revolut to monitor the account, for example, to see if the transactions matched any known fraud trends.

Having considered the transactions carefully, I'm not persuaded they were particularly indicative of possible fraud or closely matched known fraud trends. The transactions were not particularly large, frequent or unusual, such that Revolut ought to have been concerned about them. The transactions started with a few, relatively small payments, to a variety of payees, including payments to an account in Mr B's name. The payments didn't escalate in value, with large payments interspersed with smaller ones. While there were five payments made on 26 May 2023, they were made to three different payees, using different payment methods and for amounts ranging from £35.38 to £1,409.80.

Some further transactions were declined, including two attempted push to card payments on 26 May 2023. There were also some payments Revolut says were declined on 28 May 2023. It says this happened automatically due to card transaction limits, rather than due to suspected fraudulent activity, so I'm not persuaded they would have caused Revolut particular concern.

Overall, I'm not persuaded Revolut had sufficient reason to have intervened here and I don't think it could reasonably have been expected to have prevented Mr B's losses in the particular circumstances of this case.

Recovery

Revolut hasn't explained what steps it took to try and recover Mr B's money, but I can see from its in-app chat with Mr B on 14 June 2023 that it advised him it had received confirmation from its external partners that they hadn't been able to recover his money. Overall, I'm satisfied it took reasonable steps to try and recover Mr B's money.

My final decision

I don't uphold Mr B's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 7 March 2025.

Greg Barham
Ombudsman