

The complaint

Mr A complains that Revolut Ltd ('Revolut') won't refund the money he says was lost as the result of a scam.

What happened

In 2023, Mr A was looking for part time work online. He found a job on a social media platform and provided his contact details. He was contacted by someone who said they worked for a company I'll refer to as L. Mr A was told the work was part time, he could complete between two hours and eight hours of work a day and he would be paid £60 to £150 per day on a commission basis. Mr A would be completing tasks which would increase L's online ratings, reviews and exposure of its products on major e-commerce platforms.

Mr A was assigned a trainer who showed him how to set up an account with L and complete task sets. He was also added to a working group on a messaging app that he believed included other people doing the same work for L.

Mr A says he only needed to invest £50 to buy his first set of 40 tasks and saw a return of over £100 once he'd completed the set.

Mr A started receiving premium tasks, which cost more money but promised a higher commission rate. These premium tasks took Mr A's account with L into a negative balance and Mr A was told he couldn't withdraw funds without finishing the set of 40 tasks and returning his account to a positive balance.

Mr A funded his account with L by purchasing cryptocurrency. These are the payments he made from his Revolut account. All the payments to individuals were peer-to-peer cryptocurrency purchases.

Date	Time	Details of the transaction	Amount
14.9.2023		Account opened	
15.9.2023	1	Payment to G – an individual	£50.00
17.9.2023	2	Payment to A – an individual	£125.88
17.9.2023	3	Payment to V – an individual	£454.50
18.9.2023	4	Payment to A2 – an individual	£10.36
20.9.2023	5	Payment to K – an individual	£606.00
20.9.2023	6	Payment to A – an individual	£604.20
21.9.2023	7	Payment to A – an individual	£2,668.55
23.9.2023	8	Payment to V – an individual	£757.50
23.9.2023	9	Payment to M – an individual	£378.75
23.9.2023	10	Payment to M – an individual	£378.75
24.9.2023	11	Card payment to M1 – a cryptocurrency exchange	£1,100.00
24.9.2023	12	Card payment to M1 – a cryptocurrency exchange	£1,100.00
25.9.2023	13	Card payment to M1 – a cryptocurrency exchange	£1,500.00
26.9.2023	14	Card payment to M1 – a cryptocurrency exchange	£1,650.00

Ultimately, when Mr A couldn't afford to deposit any more funds into his account with L to bring it into credit and couldn't withdraw the commission he'd earned, Mr A discussed it with a friend who told him it was a scam.

Mr A raised a fraud claim with Revolut in October 2023, asking that they refund him. Revolut said they provided Mr A with warnings in relation to some of the payments and had been unsuccessful in recovering funds from the beneficiary banks. In relation to the card payments, Revolut said they didn't have a valid reason to raise a chargeback under the card scheme rules.

Mr A wasn't happy with Revolut's response, so he brought a complaint to our service.

An investigator looked into Mr A's complaint but didn't recommend that Revolut refund him. The investigator wasn't satisfied that Revolut should've been expected to prevent Mr A's loss as the payments wouldn't have looked unusual due to the account being recently opened. The investigator felt the checks Revolut did and the warnings they showed Mr A were appropriate. And, that Revolut had taken steps to try and recover Mr A's funds, but chargeback wouldn't have been successful as Mr A had purchased cryptocurrency.

Mr A responded to the investigator's view saying the outcome felt fair, but he believed that Revolut should pay some compensation to help with his study costs and living expenses as he'd lost all of the money he received from his student loan, due to the scam. Mr A also referred to the Contingent Reimbursement Model Code (CRM Code), saying he should be entitled to a refund.

As the case couldn't be resolved informally, it was passed to me to review.

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 really sorry to hear about the serious impact the loss of these funds is having on Mr A. Mr A says he can't afford to pay his tuition fees or his living costs, which might result in the cancellation of his study visa.

I accept that Mr A was the victim of a scam, but that doesn't mean that he is automatically entitled to a refund or compensation from Revolut.

Mr A has referred to the CRM Code, which is a voluntary code that came into effect in May 2019. However, Revolut are not a signatory and haven't agreed to apply the provisions of the CRM Code, so I can't fairly apply it to Mr A's payments.

In deciding what's fair and reasonable, I am required to take into account relevant law and regulations, regulators' rules, guidance and standards, and codes of practice; and, where appropriate, I must also take into account what I consider to have been good industry practice at the time.

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.

However, Revolut should have been on the 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. And, 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.

Did Revolut intervene appropriately?

As this was a new account, Revolut didn't have previous account activity to compare Mr A's payments to. And, I'm conscious that Revolut has to balance identifying potentially concerning payments and taking appropriate action, while ensuring minimal disruption to legitimate payments.

In this case, I wouldn't have expected Revolut to have had concerns or intervened before following Mr A's payment instructions. I say this as the 10 transfers Mr A made were going to individuals and weren't identifiably related to cryptocurrency. Also, I'm not satisfied that the pattern of payments or size of the payments suggest that Mr A was potentially at risk of financial harm. While there were some new payees set up, some of the payments went to payees Mr A had already set up.

The card payments that Mr A made were identifiably related to cryptocurrency. However, I'm not satisfied that the payee was one Revolut should've been concerned about or that the pattern of these payments looked out of character considering the previous transfers Mr A had made.

However, Revolut did provide warnings when Mr A set up each new payee, and also showed tailored warnings for payments five, six and eight. Revolut also referred Mr A to discuss the payments with their in-app chat specialist for those three payments.

Mr A chose a payment purpose related to cryptocurrency and investments, so Revolut provided warnings tailored to investment scams. In this case, Mr A was the victim of a job scam, so the warnings Revolut provided didn't resonate with him and the circumstances under which he was making the payments.

Mr A says he shared a screen shot of the Revolut warning with the scammer, who told him not to worry and that it wouldn't be an issue. So, it's unclear exactly how involved the scammer was in guiding Mr A on making the payments and dealing with the questions that Revolut asked him. Mr A has said that he had some doubts when he saw the warnings, but the scammer answered the questions he had satisfactorily. And, I can see that Mr A told Revolut that no one was guiding him in answering the questions or helping him with the investment – which wasn't true.

So, Revolut were prevented from identifying the actual scam type Mr A was falling victim to and prevented from providing a more suitable warning.

On this basis, I'm satisfied that Revolut took appropriate steps in providing warnings on some of the payments Mr A made and I can't fairly say they should've prevented Mr A's loss or refused to follow his payment instructions.

Recovery of funds

As Mr A made payments to purchase cryptocurrency from individual sellers, through the peer-to-peer method, Revolut was unable to recover the funds. For the card payments, Mr A purchased cryptocurrency, which he received, which means there wasn't a valid chargeback

reason Revolut could've used as the payments weren't fraudulent (made by someone else without Mr A's knowledge) and the goods/services were provided by the merchant.

Chargeback doesn't look at the end destination of the funds, only whether the merchant (M1) supplied the goods – which they did. So, I'm satisfied that Revolut took appropriate steps in trying to recover Mr A's funds.

I'm really sorry that Mr A has lost such a significant amount of money and understand that he would like a compensation payment from Revolut. But, a compensation award would only be considered where Revolut has done something wrong or made an error – which isn't the case here.

Having carefully considered the evidence, I'm not satisfied that I can fairly hold Revolut liable for Mr A's loss or ask them to refund him.

My final decision

My final decision is that I don't uphold this complaint against Revolut Ltd.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 18 February 2025.

Lisa Lowe
Ombudsman