

The complaint

Mr B complains that Revolut Ltd didn't do enough to protect him when he fell victim to a job scam.

What happened

The details of this complaint are well known to both parties, so I will not repeat them again here. The core facts are not in dispute so I will focus on giving the reasons for my decision.

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 January 2023 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 including in relation to card payments);
- 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.

I'm satisfied that Revolut ought to have recognised that the 12th card payment (£2,530) Mr B made for this scam carried a heightened risk of financial harm from fraud. By this time he'd paid out nearly £5,000 to a cryptocurrency merchant using his card in one day. And he'd sent this over seven payments, creating an unusual payment pattern for his account.

I think a proportionate response to that risk would've been for Revolut to provide Mr B with a written warning tailored to cryptocurrency investment scams. These were the more common scam associated with payments to cryptocurrency merchants at this time.

Mr B had said the account would be used for cryptocurrency when he first opened it. And he had paid the same cryptocurrency merchant before. So while I accept the pattern and value of the payments here, I think a tailored warning would've been a proportionate intervention – the payments in this case didn't warrant human involvement. But, had Revolut provided this warning, I'm not persuaded that would have prevented Mr B's loss. I'll explain why.

Mr B was falling victim to a job scam, not an investment scam. So while the content of the warning would've related to a common scam at the time, it wasn't relevant to him. The warning therefore wouldn't have deterred him from going ahead. But I consider this was what was proportionate to the risk at the time.

Mr B's representative has said that Revolut should've had a job scam specific warning, not just one for cryptocurrency investment scams. But I don't think Revolut needed to ask any questions of Mr B in this case. And it wouldn't have been able to determine (based on the payment details alone) what kind of cryptocurrency scam to warn Mr B against.

Due to this it needed to act on the information it had and display a warning based on the most common scams associated with the payment information held. While job scams were increasing in prevalence, cryptocurrency investment scams were more prevalent. Also a warning attempting covering both these different scam situations ran the risk of being ineffective for either scam. So I'm satisfied that a cryptocurrency investment scam warning would've been an appropriate intervention here.

I'm in agreement with the investigator's conclusion that an appropriate intervention would've been to show a tailored cryptocurrency investment scam warning in the Revolut app. But that this wouldn't have unravelled the scam for the reasons above. Arguably Revolut ought to have provided this warning again on payment 13, but again this wouldn't have unravelled the scam. And I don't consider there was any reason for Revolut to do more than this and speak to Mr B in this case. So I don't uphold this complaint.

My final decision

For the reasons set out above, 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 10 February 2025.

Amy Osborne
Ombudsman