

The complaint

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

He's being represented by a firm of solicitors. To keep things simple, I'll refer to Mr I throughout this decision.

What happened

The background to this complaint is known to both parties, so I won't repeat all the details here.

In summary, in May 2023, Mr I was contacted on his messaging app by someone claiming to work for a recruitment company. He later discovered he'd connected with a scammer. The scammer told him about a job opportunity for online work at a company (I'll call 'X').

For the job itself, it was explained his role as a 'data generator' at X would be to complete sets of tasks to generate ratings for different products. And that he'd receive commission for completing those 'tasks'. To make the scam more convincing he was given access to a fake 'work' account which seemed genuine and allowed him to see his 'tasks' and 'earnings', he was able to make some withdrawals initially, and was added to a 'customer services' group where other 'employees' messaged about their successes.

As part of the process, he was required to deposit his own funds to keep his 'work' account in a 'positive balance'. These funds were paid in cryptocurrency which he bought through his account with a legitimate crypto-platform or directly from sellers operating in the peer-to-peer market (P2P). It was this cryptocurrency that was then sent and lost to the scam.

He realised he'd been scammed when he was repeatedly assigned 'tasks' to complete and, having used up his savings and borrowed funds, was told he needed to pay more to clear the 'negative balance' before he'd receive any money. By that time, however, about £9,000 had been sent to the scam between May and July 2023.

The scam was reported to Revolut in January 2024. A complaint was raised and referred to our Service. Our Investigator considered it and didn't uphold it. In short, he noted Revolut had intervened on some payments and provided Mr I with a warning based on the 'payment purpose' he had selected. And he thought those interventions were proportionate given that he wasn't persuaded Revolut ought to have been concerned about any of the payments, considering their values and their destination and the lack of previous account activity.

As the matter couldn't be resolved informally, it's 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.

Having done so, I've reached the same conclusions as the Investigator and for largely the same reasons.

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 (the 2017 regulations) and the terms and conditions of the customer's account. It's not in dispute that Mr I authorised the transactions in question, so he's presumed liable for his losses in the first instance.

But that's not the end of the matter. 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 that, by May 2023, 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;
- have been mindful of (among other things) common scam scenarios, how the fraudulent practices are evolving (including for example the common use of multistage fraud by scammers, and the use of payments to cryptocurrency accounts as a step to defraud customers) and the different risks these can present to customers when deciding whether to intervene.

Prevention

I recognise Mr I has lost a significant amount of money to a cruel scam and I'm sorry about the impact the whole experience has had on him. But it's important for me to emphasise that a firm can't reasonably be expected to intervene on every transaction that may be the result of a scam. There's a balance to be struck between identifying payments that may be made as a result of a scam and ensuring minimal disruption to legitimate ones.

In this case, I don't think the disputed payments ought to have appeared as particularly concerning in value. I'm mindful that the combined total, while not insignificant, was sent across a series of smaller transactions. And, looking at the payment activity, individually and collectively, I'm not persuaded there came a point that such a suspicious spending pattern had developed to the extent that Revolut ought to have gone beyond providing Mr I with the automated warnings it's said he was shown based on the 'payment purpose' he'd selected. In reaching this view, I'm also mindful that the lack of previous activity on the account meant that Revolut had limited information on which to assess a payment risk. So, overall, having thought carefully about Mr I's comments that Revolut ought to have questioned him directly about what was happening, that's not the level of intervention I'd have expected here.

As referred to by the Investigator, Revolut did in any event intervene on four of the payments and Mr I was asked, in the payment flow, to select a 'payment purpose' before they were processed. Each time, Mr I selected 'cryptocurrency'. In turn, he was shown written warnings about the use of remote access and advised to carry out research into the investment.

I'm mindful Mr I likely selected what he thought was the most appropriate option from those listed in the dropdown. And I recognise the warnings he was shown didn't resonate and stop

the scam payments. But given the payment information Revolut had available (and in light of the 'payment purpose' Mr I had selected) an *automated* warning highlighting some of the key aspects of *cryptocurrency investment scams* is what I'd have expected it to have provided. I think that this, as the type of crypto-related scam more commonly affecting customers at the time, would have been a proportionate response to the risk presented by the payments on which it intervened. And, like the Investigator, I think it's unlikely such a warning would have been enough to have resonated with Mr I considering the nature of the scam he was falling victim to. For example, Mr I wasn't paying into what he thought was an 'investment', hadn't come across an advert on social media, promoted by a public figure, and he hadn't given remote access to a 'broker' believing they'd be 'investing' on his behalf.

To summarise, I'm again sorry Mr I was the victim of a cruel scam. I can understand why he wants to do all he can to recover his money. But I'm not persuaded that I can fairly and reasonably hold Revolut responsible for his losses in the circumstances of this case.

Recovery

In terms of recovery, I'm satisfied there was little Revolut could have done. For the card payment made to Mr I's account with a crypto-exchange, it's unlikely a chargeback claim would have been successful given there's no dispute he purchased the cryptocurrency as intended before that was sent to the scammer. And I don't think there would have been a basis for Revolut to have requested a return of funds used to buy cryptocurrency from P2P sellers as there's nothing to suggest those third-parties were part of the scam itself.

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr I to accept or reject my decision before 28 May 2025.

Thomas Cardia
Ombudsman