

The complaint

Mr G complains that Revolut Ltd won't refund money he lost when he was a victim of a job scam.

What happened

The background to this complaint is well known to both parties and so I'll only refer to some key events here.

In 2023 Mr G fell victim to a task-based job scam. At a time when Mr G was looking for work, he was contacted by a 'recruiter' on an instant messenger app offering a remote working position. As this was suitable for his circumstances, Mr G expressed an interest and was contacted by the scam firm – which I'll refer to as 'F'. The scammer explained to Mr G that F was a marketing company based abroad that hired people to boost product ratings/rankings - which required completing three sets of 40 'tasks' per day on their platform.

Mr G was guided by the scammer to set up an account with F and how to rate the products. As part of the scam, Mr G hit 'bonus missions' that required him to put money on F's platform – with the guarantee he'd receive it back alongside his profits.

Mr G made the following payments as part of the scam (with 'N' being a legitimate crypto exchange):

Date	Transaction type	Payee	Amount (including fees)
22 May 2023	Visa Direct	A	£29.62
22 May 2023	Visa Direct	Y	£781.93
22 May 2023	Fund transfer	N	£1,700
23 May 2023	Fund transfer	N	£3,790
Total			£6,301.55

Mr G realised he was scammed when he requested a withdrawal but was told he would have to pay £1,000 to receive the funds.

Mr G notified Revolut he'd been scammed on 24 May 2023. Revolut informed Mr G they wouldn't be refunding him as they'd concluded they gave warnings before the payments were processed, and that their recovery attempts were unsuccessful. They directed him to contact the local authorities.

Mr G appointed a third-party firm, which I'll refer to as 'C', to raise a complaint to Revolut on his behalf. C did this on 21 June 2023 saying the payments were made as part of a scam. In

short, they said:

- Revolut failed in their duty to protect Mr G from the scam as they allowed the transactions – to three new payees, one of which associated with crypto – to leave his account unchecked.
- The transactions were highly unusual for Mr G's account when compared to his usual financial activity. And so, his activity should've been flagged for additional security – with probing questions asked to understand the context of the payments.
- If Revolut had done this, they would've realised Mr G was likely falling victim to a scam and prevented his loss.
- To settle this complaint, Mr G would accept a full reimbursement of his losses, 8% interest and £300 compensation.

Revolut didn't uphold the complaint. In short, they said:

- They detected the payment(s) was being made to a new beneficiary and displayed the following message:

"Do you know and trust this payee? If you're unsure, don't pay them, as we may not be able to help you get your money back."

As Mr G acknowledged this warning, he was free to continue with the transfer.
- They also showed a message about the purpose of the payment, followed by educational screens regarding the type of potential scam. After these warnings, Mr G was free to continue with his transaction.
- In addition to system-based fraud protection, they also inform customers about scams and prevention tips through email and blogs – and provide updates on their fraud and scam hub.
- They weren't at fault for processing the transfers that Mr G authorised in the form and procedure agreed in the terms and conditions for giving consent to execute payments from his account.
- They launched a request to freeze and retrieve the funds from the fraudulent beneficiary's account within 24 hours after the scam being reported. This process is bound by the cooperation from the beneficiary bank and the recovery of funds isn't guaranteed. Regrettably, they received confirmation on 23 June 2023 that no funds remained.
- They're not liable for these transactions and they've treated Mr G fairly.

Mr G's complaint was referred to the Financial Ombudsman. Our Investigator thought the complaint should be upheld in part. He said Revolut should've been concerned Mr G was at risk of financial harm of fraud at the point of the last payment – as they ought to have known it was going to a crypto provider, which carries a higher risk of being associated with fraud. Because of this, he thought Revolut should've provided Mr G with a tailored written warning specific to crypto investment scams. Had this happened, he considered Mr G would've reacted positively to it. And because he didn't think Mr G acted unreasonably in the circumstances, he thought Revolut should refund the last payment in full (plus 8% simple interest).

C confirmed Mr G's acceptance.

Revolut disagreed and so, the matter was passed to me to decide. I issued a provisional decision on 14 January 2025. I said:

"...I'm sorry Mr G has been the victim of a scam and suffered a significant financial loss. I'm sympathetic to the impact this has had on him. But I must consider whether Revolut is responsible for the loss he has suffered. I know this won't be the outcome Mr G is hoping for but I don't think they are. And so, I don't think Revolut has acted unfairly by not refunding the payments. I'll explain why.

In broad terms, the starting position in law is that an electronic money institution (EMI) is expected to process payments that their customer authorises them to make. It isn't disputed that Mr G knowingly made the payments from his account – albeit under the direction of the scammer – and so, I'm satisfied he authorised them. Therefore, under the Payment Services Regulations 2017 and the terms of his account, Revolut are expected to process Mr G's payments and he is presumed liable for the loss in the first instance.

However, taking into account the regulatory rules and guidance, relevant codes of practice and good industry practice, there are circumstances where it might be appropriate for Revolut to take additional steps or make additional checks before processing a payment to help protect customers from the possibility of financial harm from fraud.

So, the starting point here is whether the instructions given by Mr G to Revolut (either individually or collectively) were unusual enough to have expected additional checks to be carried out before the payments were processed. When considering this, I've kept in mind that EMIs process high volumes of transactions each day. And that there is a balance for Revolut to find between allowing customers to be able to use their account and questioning transactions to confirm they're legitimate.

Having looked at Mr G's prior account usage, his account was typically used for low value day to day transactions. But while I accept the second and third payments were higher in value than what Mr G commonly made on his account, it isn't unusual for customers to make larger payments from time to time as part of normal account activity. And I don't think the first three payments here, either individually or collectively, were of a monetary value whereby I would've expected Revolut to have had sufficient reason to suspect Mr G was at risk of financial harm from fraud.

The fourth payment however was much greater in value than payments Mr G commonly made on his account. It was also the second payment made to a newly added payee within a relatively short period of time – with a combined value of about £5,500. And so, I think Revolut should've had reason to consider Mr G might be at risk of financial harm from fraud. Because of this, I think it would've been reasonable for Revolut to have taken additional steps before processing the payment. I've therefore considered what would've been reasonable and proportionate to the risk associated with the payment(s) at that time.

When considering this, I've thought about what Revolut would've known about the destination of the payment too. And here, while the ultimate recipient of the funds was a crypto platform, the payment was made to an intermediary Payment Service Provider (PSP) - which I'll refer to as 'CJ'. Because of this, Revolut wouldn't have known that the payment was being made for crypto purposes, as CJ is PSP that offers various services, and it isn't exclusive to crypto.

With that in mind, Revolut wouldn't - without being informed by Mr G – have been in a position whereby they would've had sufficient reason to provide a tailored written warning specific to crypto scams. Revolut did however provide some online warnings to Mr G before processing the payments to N (via CJ). This includes:

“Do you know and trust this payee? If you're unsure, don't pay them, as we may not be able to help you get your money back.”

And, following Mr G's selection of 'something else' as the payment purpose, the following:

- **“Payment scams**

Fraudsters may trick you into sending them money with the promise of giving you more back later or they could play on your emotions by starting a relationship with you.

- **Are you being scammed?**

Please beware if you have been:

1. *Instructed by someone you don't know or have recently met to move money from your account.*

...

4. *Given an offer that seems too good to be true.”*

I think these warnings were a proportionate response to the risk presented to Revolut at that time. The warnings were also somewhat relevant to Mr G's situation – as he'd been told by the scammers that his funds, which he was told he had to send, would be returned alongside his profits. And I think it would've been reasonable for Mr G to have questioned whether the job offer was too good to be true as he'd been told he could expect to receive a base salary of about £640, plus commission, for five hours of work – which is an unrealistically high return for completing relatively simplistic tasks.

In any event, even if Revolut had provided Mr G with a tailored written warning specific to crypto investment scams (which I've said I wouldn't have expected), I'm not persuaded this would've made a difference. This is because, at this point in time, I think that such a warning should've highlighted, in clear and understandable terms, the key features of common crypto investment scams - for example referring to: an 'account manager', 'broker' or 'trader' acting on their behalf; the use of remote access software and a small initial deposit which quickly increases in value. And these common features of crypto investment scams weren't relevant to Mr G's circumstances. So, I'm not convinced this type of warning would've resonated with Mr G to the extent whereby he wouldn't have gone ahead with the payment anyway.

It follows that I don't think Revolut is responsible for the loss Mr G suffered.

I've considered whether, on being alerted to the scam, Revolut could reasonably have done anything more to recover Mr G's losses, but I don't think they could. This is because Revolut has shown they contacted CJ regarding the payments to N but, unfortunately, CJ confirmed the funds had been removed prior to Mr G reporting the scam (as Mr G had moved them to F's platform). And in respect of the payments to A

and Y, my understanding is that these were made to purchase crypto via the peer-to-peer market. And so, Revolut wouldn't have had any basis to request the return of those funds as the crypto had been provided. But even if the payments weren't for the purchase of crypto via the peer-to-peer market, it's unlikely the funds would've been recoverable anyway due to them being made by the Visa Direct payment method.

I have a great deal of sympathy for Mr G and the loss he's suffered, as I appreciate it is a significant sum of money to him. But it would only be fair for me to direct Revolut to refund his loss if I thought they were responsible – and I'm not persuaded that this was the case. For the above reasons, I think Revolut has acted fairly and so I'm not going to tell them to do anything further.

My provisional decision

My provisional decision is that I do not uphold this complaint."

Revolut didn't respond.

C said they were no longer representing Mr G but confirmed he wished to appeal to the decision and that he would do so directly in the next seven days. Our Investigator contacted Mr G and asked him to provide anything further my consideration within those seven days. Nothing further was received.

Now that both parties have had the opportunity to respond, I can proceed with making my final decision on this complaint.

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 the absence of any further points for my consideration, I see no reason to depart from the above. I therefore remain of the view that Revolut isn't responsible for Mr G's loss - and for the reasons I explained in my provisional decision.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 5 March 2025.

Daniel O'Dell
Ombudsman