

## **The complaint**

Mr K complains about Revolut Ltd.

He says that Revolut didn't do enough to protect him when he became the victim of a scam and would like it to refund him the money he has lost as a result.

## **What happened**

Mr K was looking for work and had provided his information to a number of different recruitment websites.

In September 2023, he was contacted via a messaging app by an individual who explained they had found his information on one of the sites and offered Mr K a job.

The role was an online task-based role, where Mr K would need to 'purchase' tasks to complete and would then receive commission.

Initially, the tasks were purchased by the company, but when this ran out Mr K was told that he would need to purchase the tasks himself via cryptocurrency. Mr K made the following card payments to M, a crypto exchange.

- 06/09/2023 - £32.07
- 08/09/2023 - £32.10
- 09/09/2023 - \$60
- 09/09/2023 - \$100
- 11/09/2023 - \$600
- 11/09/2023 - \$1450
- 11/09/2023 - \$2,900
- 12/09/2023 - \$3,700

Mr K began to receive tasks that were more expensive but was told that these would bring him a higher rate of commission – but when he had completed his required number of tasks, he was told he would need to upgrade his account to withdraw his funds. He borrowed some funds, and then had no further money to pay, and realised it was a scam.

Mr K made a complaint to Revolut – but it didn't uphold his complaint. He then brought his complaint to this Service.

Our Investigator looked into things and thought that Revolut should have stepped in from the seventh payment – they said that if it had done so, it could have prevented this and further losses. They also said that the loss from this point should be shared between Mr K and Revolut on a 50% basis each as Mr K hadn't been as careful as he should have been.

Mr K accepted this, but Revolut did not.

As no resolution was reached, the complaint has been passed to me to make a final 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.

Having done so, I've decided to uphold this complaint in part, for broadly the same reasons as our Investigator.

It isn't in dispute here that Mr K has been the victim of a scam and has lost money as a result. However, even when it is clear that a scam has taken place, and an individual has been tricked out of their money, it doesn't necessarily follow that a business will need to refund the money that has been lost.

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 having been good industry practice at the time, I consider it fair and reasonable in September 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;
- Have acted to avoid causing foreseeable harm to customers, for example by maintaining adequate systems to detect and prevent scams and by ensuring all aspects of its products, including the contractual terms, enabled it to do so;
- 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 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.

In this case, I need to decide whether Revolut acted fairly and reasonably in its dealings with Mr K when he authorised payments from his account or whether it could and should have done more before processing them.

Looking at the payments in question, I don't think that Revolut needed to get in touch with Mr K when he made the first six payments – they weren't overly large, and while they were identifiably going to crypto, not every payment of this type is part of a scam, and it is not reasonable for it to become involved in every such transaction.

However, when Mr K made payment seven, I think that a pattern was emerging that should have given Revolut cause for concern. The payments were steadily increasing in value, and at this point Mr K had paid out over \$4000 in one day to a crypto exchange. And while I have explained that not every payment made to crypto is made as part of a scam, it does carry a higher risk – and combined with the other factors, I think that Revolut had reason to intervene, but it did not do so.

Had Revolut acted as I would have expected, I think that it should have asked Mr K a number of questions about the payment, to try and narrow down the specific scam risk before allowing it to proceed, and provided Mr K with a warning about what he was doing. I haven't seen anything to suggest that Mr K was told to lie about what he was doing, so I think he would have answered Revolut's questions honestly, which would have allowed it to tailor its warning to his particular circumstances. And as it was clear that the payments were going to crypto, this should also have been factored into its warnings – I would also have expected it to provide a warning about job scams.

I also don't think that Mr K would have continued with the payment had he been provided with a warning by his trusted account provider – so I think that such an intervention would have prevented Mr K's loss from this point.

The final thing I need to consider is if Mr K should bear some responsibility for the loss from this point. As he has already agreed with our Investigator to share this on a 50% basis with Revolut, I won't go into too much detail here. But I will say that I agree that Mr K wasn't as careful as he should have been before parting with his money – he voiced doubts about the opportunity from the beginning, and I do not feel that the opportunity presented to him was plausible.

### **Putting things right**

Revolut Ltd should refund Mr K 50% of payments seven and eight. On top of this, it should pay Mr K 8% simple interest from the date the payments were made until settlement (less any lawfully deductible tax).

### **My final decision**

I uphold this complaint in part. Revolut Ltd should put things right as set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 26 March 2025.

Claire Pugh  
**Ombudsman**