

The complaint

Ms K complains that Revolut Limited ('Revolut') won't refund the money she lost when she fell victim to a job scam.

What happened

Ms K says that she was contacted on a text messaging platform about a job opportunity. She began to receive messages from someone I'll refer to as "A" who said they worked for a company called "F". Ms K didn't know at the time, but A was a scammer and F was a fake company.

A provided some details about a role that was available to Ms K and she told Ms K that it could be completed part-time alongside her other commitments. A told Ms K that F was a marketing company that had a platform that helped merchants to optimise product reviews to increase sales. A then advised Ms K that she needed to register for a working account on F's platform, and that she would be paid commission and a salary into her cryptocurrency account (which A told Ms K to open as part of her job).

After completing some of the initial tasks that she was given, Ms K was told that she needed to clear a negative balance on her account before she could proceed. So, Ms K topped up her Revolut account and then made a card payment to a known cryptocurrency platform which she believed would top up her work platform, so she could continue completing the tasks she was given and ultimately withdraw her salary. However, every time Ms K cleared her negative balance, the same thing would happen again. So, over the course of the next couple of days, Ms K made the following payments from her newly opened Revolut account to the cryptocurrency provider and ultimately on to the scammers:

Date	Time	Payee	Payment type	Amount
28 May 2023	3.28pm	Cryptocurrency exchange 1	Card payment	£200
29 May 2023	8.07pm	Cryptocurrency exchange 2	Card payment	£1,450
30 May 2023	1.07pm	Cryptocurrency exchange 2	Card payment	£2,000
30 May 2023	1.10pm	Cryptocurrency exchange 2	Card payment	£1,000
30 May 2023	1.12pm	Cryptocurrency exchange 2	Card payment	£1,000
			Total	£5,650

Ms K realised she was the victim of a scam when she could no longer get in touch with A and was unable to withdraw the commission payments and salary she had supposedly accrued.

Ms K sent a formal complaint to Revolut via a professional representative.

Revolut responded to say it wasn't liable for Ms K's loss. It said chargeback claims had been raised but were unsuccessful due to the payments going to a cryptocurrency provider and the service being provided. Revolut also said that Ms K authorised the transactions herself and as the funds went to an account in her own name, Revolut wasn't the point of loss.

Ms K was unhappy with Revolut's response and brought a complaint to this service. She said Revolut failed to provide effective scam warnings or intervene when there was unusual activity on her account.

One of our investigators looked into Ms K's complaint but they didn't recommend that it be upheld. They agreed that Revolut should have recognised that the final payment of £2,000 was unusual and out of character and that it would have been reasonable for it to have provided a written warning tailored to cryptocurrency investment scams – because the payments were being made to a cryptocurrency provider and cryptocurrency investment scams were prevalent at the time. But the investigator wasn't persuaded that doing so would have broken the spell Ms K was under or that this would've made a difference. After all, Ms K wasn't investing in cryptocurrency, she thought she was making payments as part of a new job. And so, the investigator thought it was unlikely that any proportionate intervention would've made a difference.

In terms of recovery, the investigator noted that there was no prospect of success as Ms K received a service from the cryptocurrency provider her funds went to – the funds requested had been provided and sent on.

Ms K didn't agree with the investigator's findings and as an agreement could not be reached the case has been passed to me for 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.

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. But that's not the end of the story.

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 May 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.

Should Revolut have recognised that Ms K was at risk of financial harm from fraud?

It isn't in dispute that Ms K has fallen victim to a cruel scam, nor that she authorised the payments she made via card to her account held with a cryptocurrency provider (from where that cryptocurrency was subsequently transferred to the scammer).

Ms K opened her Revolut account in May 2023. So, the account was newly opened and there wasn't any previous genuine account activity that Revolut could compare the scam activity to. So, I have considered whether the transactions Ms K made should've stood out to Revolut as suspicious enough to have warranted intervention.

Having done so, I'm not persuaded that any of the initial transactions should have stood out to Revolut as particularly concerning. They were relatively modest in value and were being made to an account in Ms K's own name. At this point, a pattern of transactions consistent with a common scam type hadn't yet been established. And so, given the activity on the account, I don't think Revolut acted unreasonably in processing these transactions without taking any additional steps first.

However, by the time Ms K made the third payment on 30 May 2023, I think the activity on the account had started to look somewhat concerning. Ms K had already made two payments in their low thousands in the last five minutes. She was now requesting a third and the value had increased taking her total outlay to £5,000 over a five-minute period.

Taking these factors into account, as well as what Revolut knew about the destination of the payments, I'm satisfied that when Ms K attempted to make the third significantly larger cryptocurrency related payment within minutes of another two fairly sizeable payments, Revolut should have considered that Ms K could be at heightened risk of financial harm from fraud. In line with good industry practice, Revolut should therefore have provided a warning before it allowed the payment to be processed.

What did Revolut do to warn Ms K?

Revolut hasn't suggested that it took any steps to warn Ms K of the risk associated with the payment.

What kind of warning should Revolut have provided?

In this case, Revolut knew that the third payment on 30 May 2023 was being made to a cryptocurrency provider and its systems ought to have factored that information into the warning it gave Ms K. So, having thought carefully about the risk payment three presented, I think a proportionate response to that risk would have been for Revolut to have provided a written warning which was tailored to cryptocurrency investment scams. This was the most prevalent cryptocurrency related scam at the time and any such warning should've set out the key features of this type of scam.

I'm not satisfied that Revolut needed to go further at this stage and I don't consider Revolut ought reasonably to have asked Ms K questions to narrow down the scam she might be falling victim to. So, whilst I agree that Revolut should keep up to date with fraud trends, I

don't think that in May 2023 this meant doing more than providing a written cryptocurrency investment warning when it identified potentially suspicious transactions being made to a cryptocurrency platform.

If Revolut had provided a warning of the type described, would that have prevented the loss from this point onwards?

Like the investigator, I'm not satisfied that a written cryptocurrency investment scam warning would have resonated with Ms K or led her to act differently. Ms K wasn't investing in cryptocurrency, she believed she was making payments in respect of a job. And so, I'm not persuaded that a written warning of the type described above would've broken the spell Ms K was under. It wasn't specific to her circumstances and based on the evidence I've seen; Ms K appears to have been willing to continue to engage with the scammers even after she had realised she had lost a lot of money, in the hope that the job was real and would alleviate some of her financial pressures. So, even after realising she had been a victim of a scam in May 2023, Ms K continued to make payments to similar scams some months later. And so, I'm not persuaded that any proportionate intervention by Revolut in May 2023 would've made a difference here or that it would have resonated so much with Ms K that she wouldn't have continued with this payment.

For the reasons explained by the investigator, I also don't think Revolut should have done more to recover Ms K's funds. Her payments went to a cryptocurrency provider which provided the expected service, so chargeback claims had no reasonable prospect of success. So, whilst I recognise Ms K has fallen victim to a cruel scam and I'm really very sorry to hear about what's happened to her, I can't fairly ask Revolut to reimburse her loss now.

My final decision

For the reasons stated above, I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms K to accept or reject my decision before 14 May 2025.

Emly Hanley Hayes
Ombudsman