

## The complaint

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

## What happened

In August 2023, Mr S was contacted by someone who said they had been given his details by a recruiter and had details of a potential job for him. Mr S replied, asking for more details about the job, and was told it involved optimising and ranking apps to help publishers get more data. He was told he would be paid for each set of tasks he completed and that he would be guided through the process.

Mr S was then told to download an app where he could see the tasks he could complete and the money he had earned. And he was shown how to buy cryptocurrency, which he would use to pay for the tasks he was to complete. Mr S then made a number of payments from his Revolut account to purchase cryptocurrency, which he then sent on to the wallet details he was given for the job.

I've set out the payments Mr S made from his Revolut account below:

Date	Details	Amount
5 August 2023	To cryptocurrency exchange	£21
6 August 2023	To cryptocurrency exchange	£87
9 August 2023	To cryptocurrency exchange	£70.44
9 August 2023	To cryptocurrency exchange	£738.67
9 August 2023	To cryptocurrency exchange	£1,579.57
9 August 2023	To Mr S's own account	£3,332
9 August 2023	To Mr S's own account	£3,332
9 August 2023	To Mr S's own account	£3,700

Unfortunately, we now know the job was a scam. The scam was uncovered after Mr S was told he had to pay a large amount of money in before he could complete the tasks he had been given, and Mr S realised he had been the victim of a scam.

Revolut investigated but said it had proactively warned Mr S about scams and shown him sufficient scam warnings when the payments were being made. It didn't think it was at fault for processing the payments he had authorised, so it didn't agree to refund the money Mr S had lost. Mr S wasn't satisfied with Revolut's response, so referred a complaint to our service.

One of our investigators looked at the complaint. They didn't think Revolut should reasonably have been expected to prevent the payments Mr S made. So they didn't think it would be fair to require it to refund the money he had lost. Mr S disagreed with our investigator, so the complaint has been passed to me.

## **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.

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 August 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 – (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.

But, even if Revolut had recognised that Mr S was at heightened risk of financial harm from fraud when making some of these payments, I don't think the action I would have expected it to take would have prevented his loss. I'll explain why below.

The first five payments Mr S made as a result of this scam weren't for particularly large amounts. And while they were made to a cryptocurrency exchange and were increasing in size over time, I don't think they were of a significant enough value or formed a suspicious enough pattern that I would have expected Revolut to have recognised that Mr S was at heightened risk of financial harm from fraud as a result of them. And so I don't think Revolut acted unreasonably in not carrying out any further checks and allowing these payments to go through.

I'm satisfied Revolut ought to have recognised that Mr S was at heightened risk of financial harm from fraud by at least the point he tried to make the seventh payment here, for £3,332 on 9 August 2023. At this point, Mr S had tried to make a number of payments on the same day for increasing amounts, including three to a cryptocurrency exchange and then two to

the same account for the exact same amount. And this pattern of payments is similar to that often seen when customers are falling victim to a scam.

I think a proportionate response to the risk I think Revolut should have identified would have been for it to ask Mr S a series of questions in order to try to establish the actual scam risk, and then to provide him with a written warning relevant to that risk. But, had it done this, I'm not persuaded it would have prevented Mr A's loss.

Revolut did ask Mr S about the sixth payment he made here, and showed him some written warnings before allowing that payment to go through. It showed him warnings, including that victims lose millions to scams each year, it is important to do research before making a payment, and that fraudsters are professionals and can make their communication seem legitimate. It then asked Mr S to select the purpose of the payment he was making from a list of options. And it then showed him a further series of warnings, including that the payment had been flagged as suspicious and not to ignore the warnings it was giving him.

From the evidence Revolut has sent us, I can see that Mr S selected the payment purpose of 'something else', despite being given the option of 'cryptocurrency' – which would appear to be more relevant to what he was doing. The communication I've seen between Mr S and the person who contacted him about the job also shows the person was guiding him through the whole process of purchasing cryptocurrency – including getting him to send them screenshots of every step of the process, instructing him on what to do and what buttons to press and reminding him not to do anything they hadn't told him to do. Mr S also appears to have been asking the person to confirm what they should do at each stage of the process, and been happy to follow their instructions.

So even if Revolut had asked more open-ended and probing questions to establish the scam risk when Mr S made the seventh payment here, I think it's likely he would have continued to send screenshots of the process to the person guiding him and to follow their instructions on what to do and what to select. And as the person would have wanted him to continue with the payments, I think they would likely have guided him to answer any questions in ways which would have meant Revolut wouldn't have had any significant concerns. And so I don't think any warning I would have expected Revolut to show following its questions would have resonated with Mr S or stopped him from making the payments or losing the money he did.

I appreciate that Mr S has been the victim of a cruel scam and that my decision will come as a disappointment to him. He has lost a significant amount of money and I sympathise with the position he has found himself in. But I can only look at Revolut's responsibilities and, for the reasons I've set out above, I don't think anything I would reasonably have expected Revolut to have done would have prevented the loss he suffered. And so I don't think it would be fair to require Revolut to refund the money Mr S has lost.

## **My final decision**

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 21 February 2025.

Alan Millward  
**Ombudsman**