

The complaint

Mr W complains that Revolut Ltd did not refund a series of payments he lost to a scam.

What happened

Both parties are aware of the circumstances of the complaint, so I won't repeat them again in detail here. In summary, Mr W fell victim to a task-based job scam and opened a cryptocurrency wallet in order to 'top-up' his work account as he had to pay to complete certain tasks. Despite paying over £4,000 to the company, Mr W was unable to withdraw his wages or commission and he realised he had been the victim of a scam. Mr W made the following card payments from his Revolut account to his cryptocurrency wallet:

Date	Amount
08/10/2023	£30
09/10/2023	£27
14/10/2023	£3200
14/10/2023	£773

Mr W raised a scam claim with Revolut, who did not agree to reimburse him. Mr W referred the complaint to our service. We initially did not uphold the complaint, but upon a second review our Investigator felt the payment of £3,200 was of a higher value and identifiably going to cryptocurrency which carries an increased risk of fraud, so they thought Revolut should have provided a tailored warning. And if they had done, the Investigator felt the scam would likely have been revealed. So, they recommended a refund of the final two payments, with a deduction of 50% to account for Mr W's contribution to the loss.

Mr W accepted the findings however Revolut did not. They raised a number of issues, but importantly they said they had stopped the payment of £3,200 for further checks and had asked Mr W to choose from a drop-down list what the purpose of the payment was. They said that one of the options was '*to complete a task on a job hiring process*', however, Mr W chose that he was buying goods or services. Because of this, Revolut felt they had asked appropriate questions but could not give a relevant warning as Mr W selected the incorrect payment purpose.

I issued a provision decision in which I did not recommend the complaint be upheld. My provisional decision read as follows:

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 to have been good industry practice at the time, I consider it fair and reasonable in October 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.*

I'm satisfied that Revolut ought to have recognised that the card payment of £3,200 carried a heightened risk of financial harm from fraud as it was of a relatively high value and was identifiably going to cryptocurrency. While not all payments to cryptocurrency will be as a result of a scam, I think Revolut should have been aware that they generally carry a heightened risk of fraud. Mr W generally made smaller value payments on his Revolut account, so I think this payment was unusual enough that it warranted an intervention.

I think that a proportionate response to that risk would have been for Revolut to stop the payment and then provide Mr W with an automated warning that was specific to the scam he was the victim of. To do so, I think they should have asked him a series of questions about the payment he was making to try and ascertain if he was falling victim to a scam.

In this case, I can see they did decline the payment of £3,200 initially, and they asked Mr W to select from a list of options what the purpose of the payment was. Our service previously had concerns that the screenshots Revolut had provided which they said would have been seen by Mr W at the point of the scam were not accurate. However, having reviewed these in detail, I am satisfied they are a representation of what Mr W would have seen when he made the card payment in October 2023.

In this, Mr W was given the option to select the card payment was 'to complete a task on a job hiring process'. Had he done so, Revolut would have then provided him with a series of warnings specific to job scams, some of which closely matched the circumstances of the scam he had fallen victim to. Instead, Mr S selected that card payment was 'to buy, sell, or rent goods, property or services'.

I can understand why he would have selected this, as technically he was purchasing goods as he was purchasing cryptocurrency. However, I have to consider that Revolut did provide him with an option that was more relevant to his circumstances, namely that the payment was related to a job hiring process. So, I think they acted reasonably in the circumstances and that the level of intervention they carried out was proportionate to the risk level the payment posed, but the answer Mr W selected prevented them from being able to provide a relevant warning to his circumstances. With this in mind, I don't think Revolut made an error in the circumstances, and I do not recommend that they reimburse Mr W in the

circumstances.

I've considered whether Revolut acted reasonably once it became aware of the scam. I can see they initially raised a chargeback claim, however said they could not proceed with this. The chargeback scheme is voluntary and run by the card issuers and not Revolut. It's purpose is to resolve disputes between merchants and consumers. In this case, Mr W's dispute is with the scammer and not the merchant, and I note the merchant has provided the service paid for, namely the purchasing of cryptocurrency. So, I agree there was no grounds for Revolut to continue with a chargeback claim in the circumstances.

I understand that this will be very disappointing for Mr W, and I recognise that he has been the victim of a cruel and manipulative scam. But I currently do not consider that it would be fair to hold Revolut responsible for his loss.

Neither Revolut nor Mr W responded to my provisional findings.

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.

As neither party responded with any additional comments or evidence for me to consider, I see no reason to depart from the findings set out in my provisional decision. So, for the reasons set out above, I do not recommend that Revolut reimburse Mr W.

My final decision

I do not uphold Mr W's complaint against Revolut Ltd.

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

Rebecca Norris
Ombudsman