

The complaint

Miss P complains that Revolut Ltd hasn't reimbursed the money she's lost to scams.

What happened

Miss P has fallen victim to two separate scams.

Scam 1

Miss P says she came across an online advertisement for an investment opportunity with a company I'll refer to as 'L'. L was operating a scam. As part of the scam, she made the following card payments to her own cryptocurrency wallets before moving the funds on to L.

Payment number	Payment date	Payment amount
1	18 June 2022	£300
2	14 July 2022	€500
3	26 July 2022	€1,400
4	19 August 2022	€2,000
5	31 August 2022	€1,700

Scam 2

Miss P says she was contacted by a company I'll refer to as 'Q'. Q offered her employment. She made the following card payments to Q via cryptocurrency payment services in order to complete tasks and earn commission.

Payment number	Payment date	Payment amount
6	18 September 2023	£100
7	18 September 2023	£100
8	19 September 2023	£110
9	19 September 2023	£200
10	21 September 2023	£320
11	22 September 2023	£1,000

12	22 September 2023	£3,000
13	22 September 2023	£150
14	28 September 2023	£2,000
15	28 September 2023	£2,500
16	28 September 2023	£500

Miss P reported the scams to Revolut on 23 October 2023. She complained that Revolut didn't do enough to protect her from the risk of being defrauded. Revolut declined to reimburse Miss P's financial loss, so she referred a case against Revolut to this Service.

Our investigator considered the case and was of the opinion that Revolut should refund 50% of Miss P's loss from payment 12 onwards. Revolut asked for an ombudsman's final decision, so the case has been passed to me to decide.

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 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 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. 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 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 fraudulent practices are evolving (including, for example, the common use of multi-stage fraud by scammers and 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.

Should Revolut have recognised that Miss P was at risk of financial harm from fraud?

I've looked at Miss P's Revolut account statements and I don't think payments 1 – 11 ought

to have stood out to the EMI as unusual or out of character. At the time, Miss P tended to use her account to carry out very low-value transactions. So, the disputed payments were higher than other payments she tended to make. But it's not unusual for a customer to make occasional high-value payments, and I don't think it's reasonable to expect this type of activity to stand out to a financial institution in absence of any other fraud indicators. An EMI cannot reasonably be expected to intervene with every payment a customer makes. It must strike a balance to the extent in which it intervenes in payments, against the risk of unduly inconveniencing or delaying legitimate payment requests. Payments 1 – 11 were still relatively modest, they were instructed over a prolonged period, they didn't increase substantially over time as is often the case with fraud, and they didn't drain the balance on the account in a way which was unusual.

However, I think that payment 12 ought to have triggered Revolut's fraud detection systems due to its value and nature – it was a £3,000 payment (an unusually high-value transaction in consideration of the normal account activity, which followed an earlier payment of £1,000) and it was clearly destined for a cryptocurrency provider. At the relevant time, it's reasonable to expect Revolut to have recognised that cryptocurrency related transactions carry an elevated risk (there had been widespread coverage in the media about the increase in losses to cryptocurrency scams, as well as regulator's warnings about the risk of cryptocurrency scams). Given what Revolut knew about payment 12, I consider it ought to have recognised that Miss P was at heightened risk of financial harm from fraud and, in line with good industry practice and regulatory requirements, warned its customer before the payment went ahead.

What did Revolut do to warn Miss P?

I haven't seen anything to suggest that Revolut intervened in any of the disputed payments.

What kind of warning should Revolut have provided?

I've thought carefully about what a proportionate warning in light of the risk presented would be, and I think it's fair and reasonable to expect Revolut to have provided a 'better automated warning' in the circumstances. That is, a warning which asks a series of questions in order to try and establish the actual scam risk to provide a more tailored written warning.

If Revolut had provided a warning of the type described, would that have prevented the losses Miss P suffered from payment 12?

I haven't seen anything to suggest that Miss P was being coached or wouldn't have answered any questions Revolut asked her about payment 12 honestly. So, I think that with a better automated warning, Revolut could've identified that Miss P may be falling victim to a job scam and given her a written warning that was specifically about the risks of employment scams – addressing the key features of this type of scam.

I think that most consumers would take note of, and be positively impacted by, the type of intervention I've described, and I haven't seen anything to suggest that Miss P wouldn't have been. I can't see that she was being coached by the scammer, and the scam she fell victim to carried the typical features of employment scams, so I think that a tailored written warning would most likely have resonated with her.

Considering everything, if Revolut had intervened proportionately with payment 12, as I think it ought to have, then I'm satisfied that it would most likely have prevented the loss of that payment, and any further payments.

Is it fair and reasonable for Revolut to be held responsible for Miss P's loss?

I have taken into account that Miss P may have remained in control of her money after making the disputed payments from Revolut. Her funds may not have been lost until she took further steps. But Revolut should still have recognised that Miss P was at risk of financial harm from fraud, made further enquiries about payment 12 and ultimately prevented Miss P's loss from that point. I think Revolut can fairly be held responsible for Miss P's loss in such circumstances.

While I have considered all the facts of the case, including the role of other financial institutions involved, Miss P has not complained to this Service about any other firm, and I cannot compel her to do so. I do not think it would be fair to reduce Miss P's compensation because she's only complained about one firm, as I consider that Revolut should have prevented the loss.

Should Miss P bear any responsibility for her loss?

I've gone on to consider whether Miss P should bear some responsibility for the loss of payments 12-16 by way of contributory negligence, and, in the circumstances, I think she should be held equally responsible for the loss of those payments – each party being responsible for 50% of the loss. This is because I'm persuaded that Revolut ought to have done more to protect Miss P from financial harm, but she ought reasonably to have done more to protect herself from financial harm too.

Miss P doesn't appear to have carried out any substantial steps to verify the legitimacy of the employment opportunity with Q before making the payments, despite having concerns, and I don't think that's reasonable. There are several concerning factors here that ought to have made Miss P cautious, such as the implausibility of the job opportunity (I haven't been given a reasonable explanation for the need to pay money over in order to earn money, or for the need to pay in cryptocurrency) and the fact that Miss P wasn't provided with any documentation or an employment contract to show what was agreed between the parties.

Recovery of funds

Finally, I've thought about whether Revolut could've done more to recover Miss P's funds but, from the evidence I've seen, I'm not persuaded that it could.

My final decision

For the reasons I've explained, my final decision is that I uphold this complaint in part and instruct Revolut Ltd to reimburse 50% of payments 12-16 and pay interest at a rate of 8% simple per annum from the date the payments were made to the date of settlement.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss P to accept or reject my decision before 18 September 2025.

Kyley Hanson
Ombudsman