

The complaint

Mrs R complains that Revolut Ltd didn't do enough to protect her from the financial harm caused by an advance fee scam, or to help her recover the money once she'd reported the scam to it.

What happened

The detailed background to this complaint is well known to both parties. So, I'll only provide a brief overview of some of the key events here.

Mrs R was contacted by someone claiming to work for a recruitment agency, who put her in touch with someone I'll refer to as "the scammer". The scammer offered Mrs R a part-time job which would require her to buy and return items online to improve the optimisation of product. She would be required to complete approximately 45 tasks per day in return for a commission on each task, which she would need to pay for using cryptocurrency.

Mrs R hadn't been looking for work, but she was satisfied the company website looked professional and was registered on Companies House. Unfortunately, it turned out to be a clone of a genuine company.

She was added to a WhatsApp group with other workers claiming to be doing the same role, and the scammer asked her to buy cryptocurrency from P2P sellers and then load it onto an online wallet. Mrs R opened a Revolut account and funded it with payments from Bank N and Bank H, and between 25 August 2023 and 4 October 2023, she made 17 faster payments to twelve beneficiaries totalling £17,645.

Mrs R received some commission and reinvested it back into the scam, but when she tried to make a withdrawal, she was repeatedly told she'd have to make further payments for various fees and taxes. When she began to suspect she was being scammed, she contacted the genuine company who said they didn't know anything about the job.

Mrs R complained to Revolut, but it refused to refund any of the money she'd lost. Her representative said Revolut should have intervened on 4 September 2023 when she made a payment for £3,835, and had it asked probing questions it would have easily identified that the payments had the hallmarks of a job scam. They said she had believed the job was legitimate because she was first contacted by a recruiter, she didn't see any negative reviews or information to suggest the company was a scam, it was registered on Companies House, there was a customer services department, she received training, the scammer was in regular contact, and she was added onto a WhatsApp chat with others doing the same role.

But Revolut refused to refund the money Mrs R had lost and so she complained to this service. Responding to the complaint, Revolut said Mrs R created the account on 24 August 2023, selecting scheduling payments, foreign exchange, spending abroad, overseas transfers, and transfers as account opening purposes. It said the payments were authorised, there was no spending history to compare to the fraudulent payments with, and they were made over a period of 41 days. It said showed appropriate and proportionate scam

warnings, Mrs R didn't do sufficient due diligence, and it was unable to attempt to recall the funds because she didn't respond to its requests for information.

Revolut explained that Mrs R was shown a new beneficiary warning each time she sent a payment to a new beneficiary, and she was given the opportunity to stop and reflect before determining whether to proceed or seek further guidance.

For payments 4 and 8, Mrs R was asked to provide a payment purpose in response to which she selected "goods and services". This resulted in Mrs R being shown a further warning message based on the stated purpose before she proceeded with the payment. For payment 9, she was shown a set of dynamic educational story messages and when asked to provide a payment purpose she chose 'investment'. She was then shown messages about investment scams before she chose to proceed with the payment.

For payments 10 and 11, Mrs R was warned the payment might be a scam and asked to provide a payment purpose. For payment 10, she was engaged in a live chat when she was asked if the offer seemed too good to be true, if she'd been asked to pay via bank transfer and if the product or service was advertised on a social media platform or had a small number of reviews. And for payment 11 she was asked whether she'd been asked to ignore scam warnings, if she'd been promised returns which were too good to be true, whether she'd been pressured to act quickly to avoid missing out on an investment opportunity, whether she'd conducted any research and whether she'd been encouraged to invest by someone she'd met online recently. She answered negatively to all the questions and the payments were processed.

Revolut said Mrs R relied on the testimony of an unknown recruitment consultant, and didn't do any due diligence beyond checking the company website. They also said there was no logical ground for an employer demand of an employee to pay for something to perform their role, and that there was no employment contract or terms.

Our investigator didn't think the complaint should be upheld. He noted that Revolut did intervene to provide warnings and ask questions for some of the payments. Mrs R had said she'd been buying cryptocurrency for a while, no one had contacted her about making the payments, and she was making them of her own accord, so he didn't think Revolut was at fault for processing the payments. And he didn't think the outcome would have been any different if Revolut had intervened at a later stage in the scam.

He explained that Mrs R didn't raise the dispute until 21 March 2024, and Revolut didn't contact the beneficiary accounts because it didn't receive a reply to its requests for further information. But he was satisfied there wasn't a reasonable chance of a successful recovery because the scammers would have moved the funds out of the beneficiary account immediately.

Mrs R has asked for the complaint to be reviewed by an Ombudsman. Her representative has argued that Mrs R was transparent about the fact the payments were going to cryptocurrency, but Revolut failed to ask probing questions to understand the destination of the payments. The representative has argued that it made no sense when Mrs R said *'I run a business helping new business owners and I buy services that we share together to save them'* and that Revolut should have clarified this before releasing the payment, particularly as the payments matched current fraud trends.

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 reached the same conclusion as our investigator. And for largely the same reasons. I'm sorry to hear that Mrs R has been the victim of a cruel scam. I know she feels strongly about this complaint, and this will come as a disappointment to her, so I'll explain why.

I'm satisfied Mrs R 'authorised' the payments for the purposes of the of the Payment Services Regulations 2017 ('the Regulations'), in force at the time. So, although she didn't intend the money to go to scammers, under the Regulations, and under the terms and conditions of her bank account, Mrs R is presumed liable for the loss in the first instance.

There's no dispute that this was a scam, but although Mrs R didn't intend her money to go to scammers, she did authorise the disputed payments. Revolut is expected to process payments and withdrawals that a customer authorises it to make, but where the customer has been the victim of a scam, it may sometimes be fair and reasonable for the bank to reimburse them even though they authorised the payment.

Prevention

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 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;
- 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.

I've thought about whether Revolut could have done more to prevent the scam from occurring altogether. Buying cryptocurrency is a legitimate activity and from the evidence I've seen, the payments were made to genuine cryptocurrency sellers. However, Revolut ought to fairly and reasonably be alert to fraud and scams and these payments were part of a wider scam, so I need to consider whether it ought to have intervened to warn Mrs R when she tried to make the payments. If there are unusual or suspicious payments on an account, I'd expect Revolut to intervene with a view to protecting Mrs R from financial harm due to fraud.

The payments did flag as suspicious on Revolut's systems, so I've considered whether the interventions were proportionate to the risk presented by the payments. I don't think Revolut needed to intervene in any of the first eight payments because they were very low value, but it did ask her to provide a payment purpose before releasing payments 4 and 8 and showed her a warning which was relevant to 'goods and services'. I'm satisfied that this was proportionate, and that Mrs R's response prevented it from showing her a more suitable warning.

The following day, Mrs R tried to send £730 to a cryptocurrency exchange and was engaged in a live chat having confirmed the payment was for a goods and services. During the chat Mrs R said she hadn't been contacted by someone unexpectedly telling her to move money, she hadn't been told to ignore warnings, and she hadn't been told to select goods and services. She also said she was a trader and was buying from a verified trader. I note Mrs R was honest about the fact she was buying cryptocurrency, but she didn't disclose why she was buying it or that there was a third party involved, so ultimately Revolut didn't have enough information to uncover the scam. The value of the payment means it didn't necessarily need to show a tailored written warning, but had it done so I don't think it would have resonated with Mrs R because she wasn't investing in cryptocurrency, rather, she was buying tasks which she expected to be paid for. So, I don't think a written warning would have changed her mind.

The next intervention occurred when Mrs R made payment 9. This time, she was shown a set of dynamic educational story messages and when asked to provide a payment purpose she chose 'investment'. She was then shown messages about investment scams before she chose to proceed with the payment. As this was £1,400 to a payee with no obvious links to cryptocurrency, I'm satisfied that the intervention was proportionate and that the warning it gave was appropriate based on available information

For payment 10, Mrs R chose 'investment' as the payment purpose but in the live chat conversation that followed, she stated she hadn't been told to download AnyDesk, no one had asked her to send the money, she hadn't been contacted unexpectedly, she hadn't been promised returns that were too good to be true, she had done research and she'd been using the merchant for a while. She was then given a warning about investment scams which she confirmed she understood before proceeding with the payments. I'm satisfied that this intervention was proportionate to the risk presented by the payment, that Mrs R's didn't tell Revolut anything which would have suggested she was the victim of a scam, and that the warning it gave was appropriate based on available information.

When Mrs R made payment 11, she told Revolut it was for goods and services and in the live chat she confirmed no one had contacted her or told her to make the payment, and it related to her business. I note her representative has said this was unclear, but I don't think this was enough to raise concerns that she might be the victim of scam and based on the answers she gave I don't think it was unreasonable for Revolut to have released the payment.

Finally. I accept payments 12 and 13 were larger than the previous payments, but the payee was no longer new, it wasn't a cryptocurrency merchant, and Mrs R had previously been questioned about a payment to the same payee, so I don't think Revolut needed to intervene again. And even if it did, I don't think the outcome would have been any different. So, I agree with our investigator that there was nothing else Revolut could have done to prevent the scam.

Recovery

Revolut has explained that it didn't seek to recover the funds because Mrs R didn't respond to its requests for information. In any event, I don't think there was a realistic prospect of a successful recovery because she received the cryptocurrency she paid for.

Compensation

The main cause for the upset was the scammer who persuaded Mrs R to part with her funds. I haven't found any errors or delays to Revolut's investigation, so I don't think he is entitled to any compensation.

Overall, I'm satisfied Revolut took the correct steps prior to the funds being released – as well as the steps it took after being notified of the potential fraud. I'm sorry to hear Mrs R has lost money and the effect this has had on her. But for the reasons I've explained, I don't think Revolut is to blame for this and so I can't fairly tell it to do anything further to resolve this complaint.

My final decision

For the reasons I've outlined above, my final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs R to accept or reject my decision before 4 July 2025.

Carolyn Bonnell
Ombudsman