

The complaint

Mrs K complains Revolut Ltd didn't do enough to protect her when she fell victim to a scam.

What happened

The background to this complaint is well known to both parties and so I'll only refer to some key events here.

In July 2023 Mrs K was tricked into sending money to what turned out to be a task-based job scam. Mrs K has explained she learned about the job opportunity via a social media platform. She was told the job involved simulating the purchase of products through an online retailer and reviewing them to "improve the algorithm" of each product, which would in turn boost sales for the retailer. Mrs K was told she could carry out the job remotely and needed to complete 38 tasks a day to earn 3,000USDT a month, plus commission.

Mrs K was required to deposit funds into an online platform to clear negative balances generated by certain tasks. She did this by purchasing crypto from several legitimate crypto exchanges. She then transferred the crypto to wallet addresses provided by the scammer. In total, Mrs K made, and attempted, the following debit card payments from her Revolut account:

Transaction	Date	Amount	Transaction status
1	27 July 2023	-£63.60	Completed
2	28 July 2023	-£130	Completed
3	29 July 2023	-£504.36	Completed
4	29 July 2023	-£498.29	Completed
5	29 July 2023	-£1,365	Completed
	29 July 2023	-£4,260	Multiple attempts declined
6	31 July 2023	-£4,260	Completed
	31 July 2023	-£5,000	Multiple attempts declined
7	31 July 2023	-£5,000	Completed
	31 July 2023	£5,000	Multiple attempts declined
8	31 July 2023	-£2,500	Completed
	31 July 2023	£2,500/£2,450/£1,000	Multiple attempts declined
9	31 July 2023	-£500	Completed
	31 July 2023	£500/£200/£2,000	Multiple attempts declined

Mrs K said she realised she'd been scammed when she encountered problems withdrawing her commission.

Revolut refused to reimburse Mrs K's loss, as it said a chargeback claim would have been unsuccessful. Mrs K was unhappy with this and so referred a complaint to the Financial Ombudsman, with the help of a professional representative (who I'll refer to as "R"). Our Investigator didn't uphold the complaint. While she considered Revolut ought to have

intervened sooner than it did, she noted that Mrs K hadn't been honest in her answers, which prevented Revolut from uncovering the scam. She also noted Mrs K was desperate to recover the funds she'd already invested in the job and so it was unlikely any reasonable intervention would have prevented her loss.

R disagreed. It said Revolut's intervention was not proportionate to the risk identified. R said Revolut had failed to pick up on inconsistencies in Mrs K's story or probe her questions further. It considered that had Revolut done so the scam would have been uncovered and Mrs K's future losses prevented.

The complaint has therefore 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.

Having done so, I have reached the same conclusion as our Investigator. And for largely the same reasons. I realise this decision will come as a disappointment to Mrs K.

There is no doubt that Mrs K has been victim of a sophisticated scam and has lost a significant sum of money due to the deception of scammers. I do not underestimate the impact this has had on her. But in reaching a decision I must consider whether Revolut is responsible for the loss she's suffered. And I don't think it is. So, I don't think Revolut has acted unfairly by not refunding the payments. I'll explain why.

I should explain from the outset that I have summarised this complaint in far less detail than the parties involved. No discourtesy is intended by this. I have concentrated my comments on what I think is relevant to the outcome of this complaint. If I don't mention a specific point, it's not because I've failed to take it on board and think about it, but because I don't think I need to comment on it to reach what I think is a fair and reasonable outcome.

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

In broad terms, the starting position at law is that an EMI, such as Revolut, is expected to process payments and withdrawals that a customer authorises it to make, in accordance with the Payment Service Regulations (in this case the 2017 regulations) (PSRs) and the terms and conditions of the customer's account. And in this case, there is no dispute that Mrs K authorised the payments herself, so she's presumed liable for her loss in the first instance.

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 July 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 – (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;
- and from 31 July 2023, 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.

It is evident that Revolut did recognise Mrs K was at a heightened risk of financial harm from fraud, as it stopped a number of attempted payments and required her to answer fraud prevention questions. While I think Revolut's intervention ought to have happened sooner, and gone further, than it did, I am unable to reasonably conclude that any further proportionate intervention would have prevented Mrs K's loss. I'll explain why.

I would not have expected Revolut to have intervened when Mrs K instructed payments 1 to 5. While Revolut ought to have recognised the payments were going to legitimate crypto exchanges, the payments were for relatively low values and were made over the course of several days.

But I do think Revolut ought to have been concerned about payment 6 (and payment 7) – considering the value of the payment; the prevalence of crypto scams at the time; and what Revolut would have known about the payment destination. And I think a proportionate response to that risk would have been for Revolut to have asked a series of automated questions, so it could narrow down the actual scam risk that may be present, and then provided Mrs K with a tailored warning based on the information available and her responses at the time.

In reaching this view, about what would have been proportionate, I'm mindful that the account was newly opened so Revolut would have had limited information on which to assess the level of risk presented. I'm also mindful of not imposing a level of friction disproportionate to the level of risk a payment presents.

That said, accepting that Revolut ought to have provided Mrs K with a tailored warning, relevant to crypto scams, at payment 6 (and payment 7), it's also necessary for me to consider whether such an intervention would have likely made a difference – and, on balance, I'm not persuaded it would have.

Revolut has provided evidence that it did intervene before processing payment 7. It initially stopped Mrs K's payment and asked her questions about it. At the outset, Revolut advised Mrs K to answer the questions truthfully and warned "*fraudsters may ask you to hide the real reason for this payment*". Mrs K acknowledged this warning. Revolut then asked why Mrs K was making the payment, she answered "*Pay a family member or friend*". When asked for more detail, Mrs K said she was "*buying something from them*" and that she'd used the same bank details that she'd been provided with "*face to face*". All of these answers were untruthful.

Mrs K has said the scammer told her which option to select, and said that if she didn't, she would not be able to complete the task or withdraw her money. Mrs K said she was told to do as the scammer advised and "*don't think negative just follow the prompts*." Her representative has also explained that Mrs K had been invited into a group chat with other people who were apparently completing the same job as her, and she could see they were following "*the company's advice*" and were successfully receiving their returns.

I think it is important to note at this point, I have not been provided with a complete set of Mrs K's chat correspondence with the scammer for the relevant period. I have been provided with some screenshots of some messages. But these are mostly undated, and it is evident some sections of the chat are missing – most notably a discussion around the initial payments Mrs K needed to make and the guidance she says she received on how to answer Revolut's questions. As such, I do not have clear picture of how the scammer was guiding Mrs K, or how detailed this guidance was. But from Mrs K's own testimony, she accepted the scammer's guidance and had been falsely reassured by the apparent success of other individuals that, if she did as she was told, she would be able to recover the money she had already paid towards the job.

While Revolut recognised there was a heightened risk of financial harm, it was to some extent reliant on the information Mrs K provided to understand the actual risk she faced. That said, I agree with R that some of Mrs K's answers should have given Revolut cause for concern – for example Mrs K's admission that someone was guiding her on what answers to give and that someone had asked for help unexpectedly. But I do not think it would have been apparent from these answers that she was falling victim to a job scam. At this point Revolut should have asked Mrs K more questions to understand who was guiding her to answer the questions and what the nature of the request for money had been. But even if it had asked Mrs K more probing questions, I can't safely conclude that it's most likely Mrs K would have answered those questions honestly. Similarly, I am not persuaded Mrs K would have revealed enough information for Revolut to identify that she was more likely than not falling victim to a job scam.

Nevertheless, regardless of the answers Mrs K actually gave, given that Revolut knew the payments were going to crypto exchanges, I think it had reason enough to provide Mrs K with a warning that highlighted the key risks associated with crypto scams. But even if it had done so, I'm not persuaded this would have resonated with Mrs K or dissuaded her from continuing to make the payments.

In reaching this view I note that Mrs K was warned by Revolut, and one of the crypto exchanges, about a number of scam risks, including some of the red flags that were present in the scam she was falling victim to. For example:

- Revolut warned Mrs K that scammers may ask her to hide the real reason for the payment, despite this she provided inaccurate answers when asked about her payment purpose.
- Revolut repeatedly warned that the payments were *"suspicious and there is a high probability that this payment is a scam"*. Despite this Mrs K proceeded with the payments, even agreeing to state within the chat with Revolut, *"Revolut has warned me that this is likely a scam and are unlikely to recover my funds if I proceed with this transaction"*.
- Mrs K seemed to perceive the interventions from Revolut as unwanted and unwarranted, and expressed frustration that her account had been repeatedly blocked.
- After repeated interventions from Revolut, Mrs K started sending money to another of her accounts to continue making payments without scrutiny from Revolut.
- One of the crypto exchanges Mrs K used informed Revolut that it warns customer before making any transfers from its platform: *"STOP IF: Someone gave you a wallet address to use in the previous screen; Someone is guiding you to make this transaction; Someone you met on social media is guiding you to invest in crypto; Someone showed you an investment website to use that you haven't heard of before."*

While Revolut's intervention did not go as far as it ought to have gone, I think the warnings Mrs K was presented with ought to have resonated with her given what was happening. And yet, I have seen nothing to show Mrs K engaged with any of these warnings in any meaningful way or took any further steps to check what she was doing was legitimate. As such, I'm not persuaded Mrs K would have engaged meaningfully with any other warnings, to the extent that she would have cancelled her payments. In reaching this conclusion, I'm very mindful that Mrs K was desperate to recover the funds she had already paid – when asked about her reason for lying Mrs K told us *"I already invest that money [...] I wanted that money back I already invested. When you have invested money all your savings you wanted to get back and you have no other options"*. I think it's therefore most likely that even if there had been further intervention Mrs K would have looked for ways around it, as she believed the only way to recover the money she had already spent was to send more. As such, I'm not persuaded further warnings would have prevented her loss.

In conclusion, I have a great deal of sympathy with Mrs K being the victim of what was clearly a cruel scam. But it would only be fair for me to direct Revolut to refund her losses if I thought it was responsible for it, and I'm not persuaded that is the case here.

My final decision

For the reasons given above, my final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs K to accept or reject my decision before 28 April 2025.

Lisa De Noronha
Ombudsman