

The complaint

Mr C is complaining that Revolut Ltd didn't do enough to prevent him from making payments to a scam.

What happened

The background to the complaint is well-known to both parties so I won't go into detail here.

In short, in January 2024 Mr C fell victim to an employment scam after being contacted by someone pretending to be a recruiter over a messaging app. Mr C opened an account with Revolut and made the following payments to the scam from his account with it (apparently to buy cryptocurrency from an individual) which he then transferred to the scam.

Payment number	Payment date	Payment type	Amount (including fee)
1	18 January 2024	Transfer	£1,646.15
2	19 January 2024	Transfer	£2,329.80
3	19 January 2024	Transfer	£2,139.61

I can see that earlier on 18 January 2024 there was a card payment of £2,000 made to a different merchant, which also appears to have been part of the scam – but it's not been raised by Mr C as part of this complaint and it looks like this was subsequently returned to his account.

Mr C realised he'd been scammed the day after he made the last payment, and he contacted Revolut to report what had happened. Revolut attempted to recover the funds but the beneficiary organisation replied to say there were no funds available to recover.

Mr C complained to Revolut, and then to the Financial Ombudsman. Our Investigator didn't think his complaint should be upheld, because he thought what Revolut had done to intervene and warn Mr C about making the payments was enough. Mr C didn't agree, so his complaint has been passed to me for review and a decision.

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.

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 January 2024 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, have taken additional steps, or made additional checks, or provided additional warnings, before processing a payment; and
- 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.

However, I must also bear in mind that EMI’s such as Revolut have a balance to strike - while it should be alert to fraud and scams and act in its customers’ best interests, it processes high volumes of transactions each day and can’t reasonably be involved in all of them.

Mr C opened his account with Revolut on the same day as the first disputed payment, so there wasn’t any account history available for Revolut to decide if the payments appeared to be out of character.

However, Revolut did intervene on Payment 1, initially by asking Mr C for the purpose of the payment. Mr C was being guided by the scammer on how to answer the questions, and he entered the answers as they instructed him. Mr C said he was making the payment as part of an investment. He was then asked a number of questions about the payment, and he confirmed (in summary) that he wasn’t being guided in answering the questions, the investment was for cryptocurrency, he’d found the investment opportunity through a friend or family member, he’d invested in cryptocurrency before, and he’d researched the company he was investing in.

Following this, Revolut showed Mr C a scam warning that related to the answers he gave (in this case, a tailored written warning that explained the key features of cryptocurrency investment scams.)

Revolut then asked Mr C to join an in-app chat. Mr C copied some text the scammer gave him to the chat with Revolut, which said that he was buying cryptocurrency from a cryptocurrency merchant and he was satisfied it was a safe transaction. On further questioning from Revolut he again confirmed he wasn't being guided, and he'd purchased cryptocurrency from this merchant before. Revolut then allowed the payment to proceed.

The cryptocurrency investment scam warning Mr C received from Revolut here didn't appear to resonate with him; it wasn't relevant to the type of scam he was experiencing. This was because, unfortunately, Mr C was being closely guided by the scammer, and so wasn't accurate in the answers he gave to Revolut's questions and enquiries, which meant it didn't identify Mr C was falling victim to a job scam. But I don't think Revolut ought to have done any more to question Mr C or to warn him about making these payments. What Revolut did here was proportionate to the scam risk it had identified, from the answers Mr C gave to its enquiries about the payment.

I'm not persuaded it would have been proportionate for Revolut to have intervened again here on Payment 3 as the Investigator's suggested, but in any event, like the Investigator I think that even if it had done so, further intervention wouldn't have made a difference. This is because I've not seen anything to make me think Mr C wouldn't have continued to have been guided by the scammer in answering Revolut's questions about the payment.

There are industry standards around attempting recovery of funds where a scam is reported. Generally, businesses should attempt to recover payments immediately on being told of a scam. I can see that Revolut did attempt to recover the payments shortly after Mr C reported the scam but the funds had left the beneficiary account on the same day they'd been sent. I would add that as it seems Mr C was paying someone who was legitimately selling cryptocurrency (which was received) it's difficult to see how recovery could ever have been possible here.

I'm sorry to disappoint Mr C. He's been the victim of a cruel scam and I can appreciate why he'd think he should get his money back. But for the reasons I've explained, I don't think Revolut should reasonably have done anything else to prevent his loss. So, it wouldn't be reasonable for me to ask it to refund the payments he made.

My final decision

My final decision is that I'm not upholding Mr C's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 27 May 2025.

Helen Sutcliffe
Ombudsman