

The complaint

Mr D is being represented by a claims manager. He's complaining about Revolut Ltd because it declined to refund money he lost as a result of fraud.

What happened

Sadly, Mr D fell victim to a cruel job scam. He was contacted out of the blue by someone claiming to offer online work that involved completing product reviews. He was required to pay to access job tasks using cryptocurrency but was told he'd receive commission when they were completed. Mr D also says he was added to a group chat with others doing the same job. And while he initially received some money back from the scam, he was ultimately unable to withdraw what he thought he'd earned.

In December 2022, Mr D made the following card payments to various cryptocurrency exchanges, after which the currency purchased was transferred to a wallet controlled by the scammer:

No.	Date	Amount £
1	19 Dec	4
2	19 Dec	17
3	20 Dec	40
4	20 Dec	70
5	20 Dec	200
6	20 Dec	77
7	21 Dec	500
8	21 Dec	450
9	22 Dec	1,000
10	23 Dec	1,000
11	23 Dec	1,450
12	23 Dec	2,500
13	23 Dec	300
14	23 Dec	1,000
15	24 Dec	10
16	24 Dec	500
17	24 Dec	3,300
18	24 Dec	1,823
19	24 Dec	760

Between 20 and 22 December, Mr D did receive some payments back from the scam totalling around £2,500.

Our investigator recommended the complaint be partly upheld. He felt Revolut should have identified Mr D was at risk of harm from fraud prior when he instructed payment 12. If it had carried out an appropriate intervention at that point, he thought the scam would have been uncovered and any further loss prevented.

Mr D accepted the investigator's assessment. Revolut didn't and has made the following key points in defence of this complaint:

- The payments made weren't unusual for this type of account.
- The payments went to other accounts in Mr D's own name, meaning the fraud didn't occur on its platform.
- Mr D was negligent.
- The money paid to the scam was transferred to Revolut from Mr D's external bank accounts and we should consider any possible interventions or warnings from the banks involved.

The complaint has now been referred to me for review.

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 overall conclusions as the investigator, and for broadly the same reasons. In deciding what's fair and reasonable, I'm required to take into account relevant law and regulations, regulators' rules, guidance and standards, and codes of practice; and, where appropriate, I must also take into account what I consider to have been good industry practice at the time. I haven't necessarily commented on every single point raised but concentrated instead on the issues I believe are central to the outcome of the complaint. This is consistent with our established role as an informal alternative to the courts.

In this case, there's no dispute that Mr D authorised the above payment. In broad terms, the starting position at law is that an Electronic Money Institution (EMI) such as Revolut is expected to process payments a customer authorises it to make, in accordance with the Payment Services Regulations and the terms and conditions of their account. In this context, '*authorised*' essentially means the customer gave the business an instruction to make a payment from their account. In other words, they knew that money was leaving their account, irrespective of where that money actually went.

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 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;

- 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, 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.

Taking these points into account, I need to decide whether Revolut acted fairly and reasonably in its dealings with Mr D.

Should Revolut have recognised that Mr D was at risk of financial harm from fraud?

One of the key features of a Revolut account is that it facilitates payments that sometimes involve large amounts and/or the purchase of cryptocurrency. I must take into account that many similar payment instructions it receives will be entirely legitimate.

Having considered what Revolut knew about the payments 1 to 11 at the time it received Mr D's instructions, including that the amounts involved were relatively low, I'm not persuaded it ought to have been particularly concerned and I can't say it was at fault for processing them.

But by the time of payment 12 on 23 December, I think Revolut should have recognised Mr D may be at risk of harm from fraud. This was his third payment to cryptocurrency on that day with a combined value of nearly £5,000. It was also the 12th payment to cryptocurrency in less than a week. Losses to cryptocurrency fraud reached record levels in 2022 and, by the end of that year, many high street banks had placed restrictions or additional friction on cryptocurrency purchases owing to the elevated fraud risk. So, by the time, I think Revolut should have recognised that payments to cryptocurrency carried a higher risk of being associated with fraud and that a pattern of payments associated with many well-known scams was beginning to emerge on Mr D's account.

What did Revolut do to warn Mr D?

Revolut has said that each time he made a payment to a new payee, Mr D was asked to confirm that he knew and trusted the payee. But the screen he was shown was very generic, not including any information about the scam he was falling victim to, and didn't indicate that Revolut thought the relevant payment could be part of a scam.

Revolut has also said it showed Mr D a series of educational messages when he tried to make a payment to a different cryptocurrency exchange on 24 December, which led to the payment being declined. But again these warnings were very generic, setting out the amounts of money that were being lost to fraud and that fraudsters can appear very professional. No information was provided relating to the particular type scam that was actually taking place.

What kind of warning should Revolut have provided?

Having thought carefully about the risk this payment presented, I think a proportionate response to that risk would have been for Revolut to have attempted to establish the circumstances surrounding the payment before allowing it to debit Mr D's account. I think it should have done this by, for example, directing him to its in-app chat to discuss the payment further.

If Revolut had intervened as I've described, would that have prevented the losses Mr D suffered from payment 12?

From the information provided, including extracts from Mr D's online chats with the scammer, I've seen nothing to suggest he was told to hide the real purpose of the payments he was making. And I've no other reason to think he wouldn't have been honest about what he was doing if he'd been asked.

If Mr D had told Revolut that he was paying money to obtain online work, I think it should have been able to identify that this was unlikely to be legitimate and provided a tailored warning setting out the common features of many task-based job scams. These would have included that victims are often approached online out of the blue, asked to pay money using cryptocurrency to access job tasks, can be added to group chats with other people supposedly carrying out the same work, and asked to pay increasing amounts to access tasks before receiving their full commission.

If Mr D had received such a warning, I think it's likely that he'd have recognised many aspects of his own situation and that it would have resonated with him. On balance, I think it's likely his eyes would have been opened to the scam at this point and that he'd have opted not to continue with the payment.

I think it follows that if the scam had been uncovered at the point of payment 12, payments 13 to 19 would also have been prevented.

What about the actions of Mr D's bank?

Mr D says the money he lost to the scam originally came from members of his family and friends and a review of Revolut's transaction history appears to show this was the case, with account top-ups coming from the accounts of other named individuals rather than accounts in his own name. On the basis that the money paid to the scam didn't come from Mr D's own account, I'm satisfied he wasn't personally subject to any other bank intervention.

Is it fair and reasonable for Revolut to be held responsible for Mr D's loss?

I have taken into account that Mr D remained in control of his money after making the payments from Revolut. It wasn't lost until he took further steps. But Revolut should still have recognised that he was at risk of financial harm from fraud, made further enquiries about payment 12 and ultimately prevented his loss from that point. I think Revolut can fairly be held responsible for any loss in these circumstances.

While I have considered all of the facts of the case, including the role of other financial institutions involved, Mr D has chosen not to pursue a complaint further about any other firm and I cannot compel him to do so. And, I do not think it would be fair to reduce his compensation because he's only complained about one firm, as I consider that Revolut should have prevented the loss.

Revolut has addressed an Administrative Court judgment, which was referred to in a decision on a separate complaint. As I haven't referred to or relied on that judgment in reaching my conclusion in relation to the losses for which I consider it fair and reasonable to hold Revolut responsible, I don't intend to comment on it. I note that Revolut says that it hasn't asked me to analyse how damages would be apportioned in a hypothetical civil action but, rather, it's asking me to consider all of the facts of the case before me when considering what's fair and reasonable, including the role of all the other financial institutions involved, and I'm satisfied that's what I've done.

Should Mr D bear any responsibility for his losses?

I've considered the evidence carefully and, while I accept Mr D genuinely believed these payments were being made in connection with a legitimate employment opportunity, I'm not persuaded that belief was a reasonable one.

From what I've seen, there was no formalisation of the arrangement between Mr D and the employer – for example, a written contract or a clear setting out of the terms of employment. In addition to that, the arrangement was very different to the normal employer-employee relationship. In most circumstances, people expect to be paid by their employer, rather than the other way around. As far as I can see, there wasn't really any attempt to explain this uncommon arrangement.

In the circumstances, I think Mr D should have proceeded only with great caution. If he'd carried out any further research, for example online searches, I think he'd have quickly discovered his circumstances were similar to those commonly associated with many job scams. Overall, I think it's fair and reasonable for Revolut to make a 50% deduction from the redress payable.

Recovery of funds

I've also looked at whether Revolut could or should have done more to try and recover Mr D's losses once it was aware that the payments were the result of fraud.

I understand Mr D first notified Revolut of the fraud in September 2024, nearly two years after the last payment. It's a common feature of this type of scam that the fraudster will move money very quickly to other accounts once received to frustrate any attempted recovery and I don't think anything that Revolut could have done differently would likely have led to his money being recovered successfully after this period of time.

In conclusion

For the reasons I've explained, I don't think Revolut acted fairly and reasonably in its dealings with Mr D and I'm upholding this complaint in part. While I don't think it acted incorrectly in processing payments 1 to 11 in line with Mr D's instructions, if it had carried out an appropriate intervention before payment 12 debited his account, I'm satisfied payments 12 to 19 would have been prevented.

Putting things right

The principal aim of any award I make must be to return Mr D to the position he'd now be in but for the errors or inappropriate actions of Revolut, while allowing for any responsibility he should reasonably bear. If Revolut had carried out an appropriate intervention as I've described, I'm satisfied the scam would have been stopped and Mr D would have retained the money that was lost from payment 12 onwards. As outlined above, I've applied a 50% deduction to the amounts to be refunded in recognition of Mr D's own contribution to the loss.

I note Mr D did receive some payments back from the scam but these pre-dated payment 12, meaning they weren't associated with any of the payments I'm telling Revolut to refund and I'm therefore not taking them into account in setting out the compensation that's due.

To put things right, Revolut should pay Mr D compensation of A + B, where:

- A = a refund of 50% of each of payments 12 to 19 outlined above; and
- B = simple interest on each amount being refunded in A at 8% per year from the date

of the corresponding payment to the date compensation is paid.

Interest is intended to compensate Mr D for the period he was unable to use this money. HM Revenue & Customs (HMRC) requires Revolut to deduct tax from any interest. It must provide him with a certificate showing how much tax has been deducted if he asks for one.

I'm satisfied this represents a fair and reasonable settlement of this complaint.

My final decision

My final decision is that I partly uphold this complaint. Subject to Mr D's acceptance, Revolut Ltd should now put things right as I've set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask to accept or reject my decision before 30 July 2025.

James Biles
Ombudsman