

## The complaint

Miss L complains that Revolut Ltd won't refund money she lost when she was a victim of a scam.

Miss L is represented by a firm that I'll refer to as 'R'.

## 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 August 2023, Miss L was the victim of a task-based job scam after being contacted on an instant messenger app by what she believed to be a legitimate recruitment firm offering an opportunity to work for an international marketing company, which I'll refer to as 'S'. She was told she could earn commission by helping the *"developer optimize their apps and get data and traffic"*. She was told she could earn a weekly wage of 800USDT by completing sets of tasks and that this would take up to two hours a day. We now know this was a scam.

The scam required Miss L to purchase and send crypto to S's scam platform – which was used to generate the review tasks to complete. Miss L says she realised she'd been scammed when she was pressured to continue making payments to clear a negative balance so she could withdraw the commission she had earned.

Miss L made the following transfers to a legitimate crypto exchange (which I'll refer to as "K"), before transferring the crypto to the scam platform with S:

Created Date	Transaction type	Amount
9 August 2023	Card payment to Miss L's crypto account with K	£750
10 August 2023	Card payment to Miss L's crypto account with K	£2,000
15 August 2023	Card payment to Miss L's crypto account with K	£4,500
16 August 2023	Card payment to Miss L's crypto account with K	£4,500
16 August 2023	Card payment to Miss L's crypto account with K	£2,800
<b>Total</b>		<b>£14,550</b>

On 6 September 2023, R complained to Revolut, on behalf of Miss L, saying it had not done enough to protect her from falling victim to a scam. In short, they said that while the scam seemed very convincing to Miss L, it would have been clear to Revolut that she was falling victim to a scam and so it ought to have done more to prevent her loss. It said Revolut ought to have questioned Miss L about her payments, which would have highlighted that she'd been contacted on an instant messaging app and was being asked to top up an account to receive commission. It said that on learning this Revolut ought to have warned Miss L about job scams.

Revolut responded confirming it would not refund the money Miss L lost. It explained that when it was notified of the scam it advised her on how to raise chargeback claims, but that these were ultimately unsuccessful as there was clear evidence Miss L had authorised the payments.

R referred Miss L's complaint to the Financial Ombudsman. The complaint was considered by one of our Investigators who thought it should be upheld. She said Revolut ought to have been concerned that Miss L was at risk of financial harm from fraud, as the crypto exchange she was paying (K) had published warnings on the International Organization of Securities Commissions ("IOSCO") website predating the payments. She said had Revolut questioned Miss L about the payments the scam would have unravelled and Miss L's losses would have been prevented. But she also thought that Miss L had contributed to her losses – as she had sent a considerable sum of money to an unknown company without doing any proper checks into what she was being told. Our investigator therefore upheld the complaint and recommended that Revolut refund 50% of Miss L's losses, plus 8% interest.

Miss L accepted our Investigator's recommendations, but Revolut disagreed. In short it said:

- The Financial Ombudsman had erred in law by suggesting Revolut owed a duty to its customers who have been victims of scams. It does not owe a duty to prevent fraud or scams, but does have a contractual, regulatory and common law duty to execute valid payment instructions, which is set out in its terms and conditions;
- It has systems and controls in place to counter the risk of financial crime, but it does not have a duty to detect and prevent all fraud;
- The Supreme Court's judgement in Phillip v Barclays set out that a payment service provider need not assess the wisdom or potential for financial loss of a proposed transaction;
- It is not a signatory of the voluntary Contingent Reimbursement Model (CRM) code, and so those rules do not apply to it;
- The mandatory reimbursement rules were not in force at the time of the payments and should not apply, and even if they were in force they would not apply as the payments were "self to self" and so wouldn't meet the definition of Authorised Push Payment (APP) fraud;
- It is irrational to hold Revolut liable for a customer's losses where it is merely an intermediate link in a payment chain and where other banks or financial institutions have not been held responsible.

The matter was passed to me to decide. I issued a provisional decision on 25 November 2024, and said:

*"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.*

*And, as the Supreme Court has recently reiterated in Philipp v Barclays Bank UK PLC, subject to some limited exceptions banks have a contractual duty to make payments in compliance with the customer's instructions.*

*In that case, the Supreme Court considered the nature and extent of the contractual duties owed by banks to their customers when making payments. Among other things, it said, in summary:*

- *The starting position is that it is an implied term of any current account contract that, where a customer has authorised and instructed a bank to make a payment, it must carry out the instruction promptly. It is not for the bank to concern itself with the wisdom or risk of its customer's payment decisions.*

- At paragraph 114 of the judgment the court noted that express terms of the current account contract may modify or alter that position. In *Philipp*, the contract permitted Barclays not to follow its consumer's instructions where it reasonably believed the payment instruction was the result of APP fraud; but the court said having the right to decline to carry out an instruction was not the same as being under a legal duty to do so.

In this case, the terms of Revolut's contract with Miss L modified the starting position described in *Philipp*, by expressly requiring Revolut to refuse or delay a payment "if legal or regulatory requirements prevent us from making the payment or mean that we need to carry out further checks".

In this respect, section 20 of the terms and conditions said:

**"20. When we will refuse or delay a payment**

We must refuse to make a payment or delay a payment (including inbound and outbound payments) in the following circumstances:

- If legal or regulatory requirements prevent us from making the payment or mean that we need to carry out further checks [...]"

So Revolut was required by the implied terms of its contract with Miss L and the Payment Services Regulations to carry out her instructions promptly, except in the circumstances expressly set out in its contract, which included where regulatory requirements meant it needed to carry out further checks.

I am satisfied that, to comply with regulatory requirements (including the Financial Conduct Authority's "Consumer Duty", which requires financial services firms to act to deliver good outcomes for their customers) Revolut should in August 2023 have been on the look-out for the possibility of fraud and have taken additional steps, or made additional checks, before processing payments in some circumstances.

So, Revolut's standard contractual terms produced a result that limited the situations where it could delay or refuse a payment – so far as is relevant to this complaint – to those where applicable regulations demanded that it do so, or that it make further checks before proceeding with the payment. In those cases, it became obliged to refuse or delay the payment. And I'm satisfied that those regulatory requirements included adhering to the FCA's Consumer Duty.

The Consumer Duty – as I explain below – requires firms to act to deliver good outcomes for consumers.

Whilst the Consumer Duty does not mean that customers will always be protected from bad outcomes, Revolut was required act to avoid foreseeable harm by, for example, operating adequate systems to detect and prevent fraud. The Consumer Duty is therefore an example of a regulatory requirement that could, by virtue of the express terms of the contract and depending on the circumstances, oblige Revolut to refuse or delay a payment notwithstanding the starting position at law described in *Philipp*.

I have taken both the starting position at law and the express terms of Revolut's contract into account when deciding what is fair and reasonable. I am also mindful that in practice, whilst its terms and conditions referred to both refusal and delay, the card payment system rules meant that Revolut could not in practice delay a card payment, it could only decline ('refuse') the payment.

*But the basis on which I am required to decide complaints is broader than the simple application of contractual terms and the regulatory requirements referenced in those contractual terms. I must determine the complaint by reference to what is, in my opinion, fair and reasonable in all the circumstances of the case (DISP 3.6.1R) taking into account the considerations set out at DISP 3.6.4R.*

*Whilst the relevant regulations and law (including the law of contract) are both things I must take into account in deciding this complaint, I'm also obliged to take into account regulator's guidance and standards, relevant codes of practice and, where appropriate, what I consider to have been good industry practice at the relevant time: see DISP 3.6.4R. So, in addition to taking into account the legal position created by Revolut's standard contractual terms, I also must have regard to these other matters in reaching my decision.*

*Looking at what is fair and reasonable on the basis set out at DISP 3.6.4R, I consider that Revolut should, in August 2023, have been on the look-out for the possibility of fraud and have taken additional steps, or made additional checks, before processing payments in some circumstances.*

*In reaching this view, I am mindful that in practice all banks and EMI's like Revolut do in fact seek to take those steps, often by:*

- using algorithms to identify transactions presenting an increased risk of fraud;*
- requiring consumers to provide additional information about the purpose of transactions during the payment authorisation process;*
- using the confirmation of payee system for authorised push payments;*
- providing increasingly tailored and specific automated warnings, or in some circumstances human intervention, when an increased risk of fraud is identified.*

*For example, it is my understanding that in August 2023, Revolut, whereby if it identified a scam risk associated with a card payment through its automated systems, could (and sometimes did) initially decline to make that payment, in order to ask some additional questions (for example through its in-app chat).*

*I am also mindful that:*

- Electronic Money Institutions like Revolut are required to conduct their business with "due skill, care and diligence" (FCA Principle for Businesses 2), "integrity" (FCA Principle for Businesses 1) and a firm "must take reasonable care to organise and control its affairs responsibly and effectively, with adequate risk management systems" (FCA Principle for Businesses 3).*
- Over the years, the FCA, and its predecessor the FSA, have published a series of publications setting out non-exhaustive examples of good and poor practice found when reviewing measures taken by firms to counter financial crime, including various iterations of the "Financial crime: a guide for firms".*
- Regulated firms are required to comply with legal and regulatory anti-money laundering and countering the financing of terrorism requirements. Those requirements include maintaining proportionate and risk-sensitive policies and procedures to identify, assess and manage money laundering risk – for example through customer due-diligence measures and the ongoing monitoring of the business relationship (including through the scrutiny of transactions undertaken throughout the course of the relationship). I do not suggest that Revolut ought to*

*have had concerns about money laundering or financing terrorism here, but I nevertheless consider these requirements to be relevant to the consideration of Revolut's obligation to monitor its customer's accounts and scrutinise transactions.*

- The October 2017, BSI Code, which a number of banks and trade associations were involved in the development of, recommended firms look to identify and help prevent transactions – particularly unusual or out of character transactions – that could involve fraud or be the result of a scam. Not all firms signed the BSI Code (and Revolut was not a signatory), but the standards and expectations it referred to represented a fair articulation of what was, in my opinion, already good industry practice in October 2017 particularly around fraud prevention, and it remains a starting point for what I consider to be the minimum standards of good industry practice now (regardless of the fact the BSI was withdrawn in 2022).*
- Since 31 July 2023, under the FCA's Consumer Duty, regulated firms (like Revolut) must act to deliver good outcomes for customers (Principle 12) and must avoid causing foreseeable harm to retail customers (PRIN 2A.2.8R). Avoiding foreseeable harm includes ensuring all aspects of the design, terms, marketing, sale of and support for its products avoid causing foreseeable harm (PRIN 2A.2.10G). One example of foreseeable harm given by the FCA in its final non-handbook guidance on the application of the duty was "consumers becoming victims to scams relating to their financial products for example, due to a firm's inadequate systems to detect/prevent scams or inadequate processes to design, test, tailor and monitor the effectiveness of scam warning messages presented to customers".*
- Revolut should also have been aware of the increase in multi-stage fraud, particularly involving crypto when considering the scams that its customers might become victim to. Multi-stage fraud involves money passing through more than one account under the consumer's control before being sent to a fraudster. Our service has seen a significant increase in this type of fraud over the past few years – particularly where the immediate destination of funds is a crypto wallet held in the consumer's own name. And, increasingly, we have seen the use of an EMI (like Revolut) as an intermediate step between a high street bank account and crypto wallet.*
- The main card networks, Visa and Mastercard, don't allow for a delay between receipt of a payment instruction and its acceptance: the card issuer has to choose straight away whether to accept or refuse the payment. They also place certain restrictions on their card issuers' right to decline payment instructions. The essential effect of these restrictions is to prevent indiscriminate refusal of whole classes of transaction, such as by location. The network rules did not, however, prevent card issuers from declining particular payment instructions from a customer, based on a perceived risk of fraud that arose from that customer's pattern of usage. So, it was open to Revolut to decline card payments where it suspected fraud, as indeed Revolut does in practice (see above).*

*Overall, 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;*

- 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 – (as in practice Revolut sometimes does); 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 crypto accounts as a step to defraud consumers) and the different risks these can present to consumers, when deciding whether to intervene.*

*Whilst I am required to take into account the matters set out at DISP 3.6.4R when deciding what is fair and reasonable, I am satisfied that to comply with the regulatory requirements that were in place in August 2023, Revolut should in any event have taken these steps.*

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

*It isn't in dispute that Miss L has fallen victim to a cruel scam here, nor that she authorised the payments she made to her crypto wallet (from where that crypto was subsequently unwittingly transferred to the scammer).*

*Whilst I have set out in detail in this decision the circumstances which led Miss L to make the payments using her Revolut account and the process by which that money ultimately fell into the hands of the fraudster, I am mindful that, at that time, Revolut had much less information available to it upon which to discern whether any of the payments presented an increased risk that Miss L might be the victim of a scam.*

*Although our Investigator thought Revolut ought to have been concerned about the destination of Miss L's first payment - given there was an active IOSCO warning about K at the time the payment was made – I don't think Revolut ought to have been on notice that she was at risk of financial harm from fraud because of this warning alone.*

*The IOSCO warnings, published at the time of the payments, signpost to different jurisdictions, which subsequently warn that K was not authorised to provide certain financial services in various territories. Having considered the content of the wording, I'm not persuaded that it would be fair to expect Revolut to have treated every payment to K as suspicious or high risk. This is a well-known genuine crypto platform and most crypto-related activities are unregulated in the UK, so I don't think Revolut needed to provide a warning to Miss L. I note there's no suggestion that the crypto platform was involved in the scam.*

*So, I've gone on to consider whether there were any other reasons for Revolut to have thought the payments were suspicious or high risk.*

*I'm aware that crypto exchanges like K generally stipulate that the card used to purchase crypto at its exchange must be held in the name of the account holder, as must the account used to receive cash payments from the exchange. Revolut would likely have been aware of this fact too. So, it could have reasonably assumed that payments to K, would be credited to a crypto wallet held in Miss L's name.*

*By August 2023, when these transactions took place, firms like Revolut had been aware of the risk of multi-stage scams involving crypto for some time. Scams involving crypto have increased over time. The FCA and Action Fraud published warnings about crypto scams in mid-2018 and figures published by the latter show that losses suffered to crypto scams have continued to increase since. They reached record levels in 2022. During that time, crypto was typically allowed to be purchased through many high street banks with few restrictions.*

*By the end of 2022, however, many of the high street banks had taken steps to either limit their customer's ability to purchase crypto using their bank accounts or increase friction in relation to crypto related payments, owing to the elevated risk associated with such transactions. And by August 2023, when these payments took place, further restrictions were in place. This left a smaller number of payment service providers, including Revolut, that allowed customers to use their accounts to purchase crypto with few restrictions. These restrictions – and the reasons for them – would have been well known across the industry.*

*I recognise that, as a result of the actions of other payment service providers, many customers who wish to purchase crypto for legitimate purposes will be more likely to use the services of an EMI, such as Revolut. And I'm also mindful that a significant majority of crypto purchases made using a Revolut account will be legitimate and not related to any kind of fraud (as Revolut has told our service). However, our service has also seen numerous examples of consumers being directed by fraudsters to use Revolut accounts in order to facilitate the movement of the victim's money from their high street bank account to a crypto provider, a fact that Revolut is aware of.*

*So, taking into account all of the above I am satisfied that by the end of 2022, prior to the payments Miss L made in August 2023, Revolut ought fairly and reasonably to have recognised that its customers could be at an increased risk of fraud when using its services to purchase crypto, notwithstanding that the payment would often be made to a crypto wallet in the consumer's own name.*

*To be clear, I'm not suggesting, as Revolut has previously argued that, as a general principle (under the Consumer Duty or otherwise), Revolut should have more concern about payments being made to a customer's own account than those which are being made to third party payees. As I've set out in some detail above, it is the specific risk associated with crypto in August 2023 that, in some circumstances, should have caused Revolut to consider transactions to crypto providers as carrying an increased risk of fraud and the associated harm.*

*In those circumstances, as a matter of what I consider to have been fair and reasonable, good practice and to comply with regulatory requirements (including the Consumer Duty), Revolut should have had appropriate systems for making checks and delivering warnings*

*before it processed such payments. And as I have explained Revolut was also required by the terms of its contract to refuse or delay payments where regulatory requirements meant it needed to carry out further checks.*

*Taking all of the above into account, and in light of the increase in multi-stage fraud, particularly involving crypto, I don't think that the fact the payments in this case were going to an account held in Miss L's own name should have led Revolut to believe there wasn't a risk of fraud.*

*So, I've gone on to consider, taking into account what Revolut knew about the payments, at what point, if any, it ought to have identified that Miss L might be at a heightened risk of fraud that merited its intervention.*

*I think Revolut should have identified that the first two payments were going to a crypto provider (K is a well-known crypto provider), but they were relatively low in value and I don't think Revolut should reasonably have suspected that they might be part of a scam.*

*But by the third payment, I think Revolut ought to have had concerns about what was going on, given the pattern of Miss L's payments and the fact that it differed significantly from her previous account usage. At this point Miss L had made three payments to a crypto provider within a week, with each payment more than doubling the payment before. While I recognise that Miss L had used her account infrequently since opening it in February 2020, so she did not have a particularly established account usage, I think the payments in August 2023, ought to have been recognised as a change in behaviour.*

*On balance, taking into account that Revolut needs to take an appropriate line between protecting against fraud and not unduly hindering legitimate transactions, and also considering the value of this payment, I think that the circumstances should have led Revolut to consider that Miss L was at heightened risk of financial harm from fraud by the third payment, on 15 August 2023.*

*In line with good industry practice and regulatory requirements (in particular the Consumer Duty), I am satisfied that it is fair and reasonable to conclude that Revolut should have warned Miss L before this payment went ahead.*

*To be clear, I do not suggest that Revolut should provide a warning for every payment made to crypto. Instead, as I've explained, I think it was a combination of the characteristics of this payment (combined with those which came before it, and the fact the payment went to a crypto provider) which ought to have prompted a warning.*

*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 in these circumstances. In doing so, I've taken into account that many payments that look very similar to this one will be entirely genuine. I've given due consideration to Revolut's primary duty to make payments promptly.*

*As I've set out above, the FCA's Consumer Duty, which was in force at the time these payments were made, requires firms to act to deliver good outcomes for consumers including acting to avoid foreseeable harm. In practice this includes maintaining adequate*



*systems to detect and prevent scams and to design, test, tailor and monitor the effectiveness of scam warning messages presented to customers.*

*I'm mindful that firms like Revolut have had warnings in place for some time. It, along with other firms, has developed those warnings to recognise both the importance of identifying the specific scam risk in a payment journey and of ensuring that consumers interact with the warning.*

*In light of this, I think that by August 2023, when these payments took place, Revolut should have had systems in place to identify, as far as possible, the actual scam that might be taking place and to provide tailored, effective warnings relevant to that scam for both APP and card payments. I understand in relation to Faster Payments it already had systems in place that enabled it to provide warnings in a manner that is very similar to the process I've described.*

*I accept that any such system relies on the accuracy of any information provided by the customer and cannot reasonably cover off every circumstance. But I consider that by August 2023, on identifying a heightened scam risk, a firm such as Revolut should have taken reasonable steps to attempt to identify the specific scam risk – for example by seeking further information about the nature of the payment to enable it to provide more tailored warnings.*

*In this case, Revolut knew that the third payment was being made to a crypto provider and its systems ought to have factored that information into the warning it gave. Revolut should also have been mindful that cryptocurrency scams have become increasingly varied over the past few years. Fraudsters have increasingly turned to crypto as their preferred way of receiving victim's money across a range of different scam types, including 'romance', impersonation, investment and job scams.*

*Taking that into account, I am satisfied that, by August 2023, Revolut ought to have attempted to narrow down the potential risk further. I'm satisfied that when Miss L made the third payment, Revolut should – for example by asking a series of automated questions designed to narrow down the type of cryptocurrency related scam risk associated with the payment she was making – have provided a scam warning tailored to the likely crypto related scam Miss L was at risk from.*

*In this case, Miss L was falling victim to a 'job scam' – she believed she was making payments in order to receive an income.*

*As such, I'd have expected Revolut to have asked a series of simple questions in order to establish that this was the risk the payment presented. Once that risk had been established, it should have provided a warning which was tailored to that risk and the answers Miss L gave. I'd expect any such warning to have covered off the key features of such a scam, such as making payments to gain employment, being paid for 'clicks', 'likes' or promoting products and having to pay increasingly large sums without being able to withdraw money.*

*I acknowledge that any such warning relies on the customer answering questions honestly and openly, and so I've thought carefully about how I think Miss L would have responded. While I recognise it's finely balanced, for the reasons I'll explore further*

*below, I think it is more likely than not that Miss L would have answered truthfully and selected the option that indicated her payment related to a job opportunity.*

*I accept that there are a wide range of scams that could involve payments to crypto providers. I am also mindful that those scams will inevitably evolve over time (including in response to fraud prevention measures implemented by banks and EMI's), creating ongoing challenges for banks and EMI's.*

*In finding Revolut should have identified that the third payment presented a potential scam risk and that it ought to have taken steps to narrow down the nature of that risk, I do not suggest Revolut would, or should, have been able to identify every conceivable or possible type of scam that might impact its customers. I accept there may be scams which, due to their unusual nature, would not be easily identifiable through systems or processes designed to identify, as far as possible, the actual scam that might be taking place and then to provide tailored effective warnings relevant to that scam.*

*But I am not persuaded that 'job scams' would have been disproportionately difficult to identify through a series of automated questions (as demonstrated by Revolut's current warnings – which seek to do exactly that) or were not sufficiently prevalent at the time that it would be unreasonable for Revolut to have provided warnings about them, for example through an automated system.*

*If Revolut had intervened in the way I have described, would that have prevented the losses Miss L suffered from the third payment?*

*I have thought carefully about whether proper intervention from Revolut would have prevented Miss L's loss, and overall I'm satisfied that it would.*

*In reaching this conclusion I have carefully reviewed the messages Miss L exchanged with the scammer in the lead up to and after the scam payments. These messages demonstrate that Miss L had initially placed a lot of trust and faith in the scammer and believed they were friends. But the messages also demonstrate that Miss L had growing concerns about what she was being advised to do – at times questioning if she was being scammed – and was fearful of losing her money. By the time she made the third payment, on 15 August 2023, her relationship with the scammer had deteriorated and Miss L was unhappy that she had needed to make several payments before she could withdraw her commission.*

*I have also been provided with recordings of a conversation Miss L had with another bank on 8 August 2023, prior to her payments from Revolut. The bank had blocked Miss L's card to enable it to confirm that the payments had been properly authorised by her. During this conversation Miss L explained that she was making payments to a crypto exchange as she was learning how to make trades. She stressed that the payments were not part of an investment and that they weren't suspicious. I can see that the scammer had in fact guided Miss L to tell her bank that the payments were not part of an investment and were for personal transactions.*

*Given that the scammer had coached Miss L on what to tell her bank, I've had to think carefully about whether she would also have been coached on what answer to provide had Revolut asked her about her payment purpose. While it's impossible to know for certain how Miss L would have reacted, as Revolut did not intervene at all, I consider it's more likely than not she would have answered honestly.*

*While it's clear Miss L initially took on board what the scammer had told her to say – as she made a point to tell her bank that she was not making a crypto investment – she did not lie as she was not investing.*

*Had Miss L been asked to select from a list of payment reasons, I think she would most likely have selected an option that related to a job opportunity or spending to earn money online. I have seen nothing within the scam chat to suggest she was told to conceal the fact that she was working, and while she didn't challenge the scammer when she was told to say it wasn't an investment, this was not inaccurate.*

*Having listened to Miss L's conversation with her bank, she is very forthcoming and engaged with what the adviser asks her. She notes in the call, and again in her chat with the scammer, that she appreciates that the bank is looking out for her. I think it is also significant that by the time I think Revolut ought to have intervened, Miss L was much less trusting of the scammer given the way the scam was evolving, and I think she was therefore more likely to be receptive to any warnings Revolut provided.*

*Had Revolut provided Miss L with a warning that highlighted the key features of a job scam – the majority of which applied to her circumstances – I think this would have resonated with her and she would have realised she was being scammed, as this was already something she feared. Having been alerted to the probable scam I don't think Miss L would have made the final three payments, and so that loss would have been prevented.*

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

*In reaching my decision about what is fair and reasonable, I have taken into account that Miss L purchased crypto which credited an e-wallet held in her own name, rather than making a payment directly to the fraudsters. So, she remained in control of her money after she made the payments from her Revolut account, and it took further steps before the money was lost to the fraudsters.*

*I have also taken into account that the money that funded the scam was transferred into Miss L's Revolut account from another account at a regulated financial business. But as I've set out in some detail above, I think that Revolut still should have recognised that Miss L might have been at risk of financial harm from fraud when she made the third payment, and in those circumstances it should have made further enquiries before processing her payment. If it had taken those steps, I am satisfied it would have prevented the losses Miss L suffered.*

*The fact that the money used to fund the scam came from elsewhere and wasn't lost at the point it was initially transferred does not alter that fact and I think Revolut can fairly be held responsible for Miss L's loss in such circumstances.*

*I don't think there is any point of law or principle that says that a complaint should only be considered against either the firm that is the origin of the funds or the point of loss. I've also considered that Miss L has only complained against Revolut. I accept that it's possible that other firms might also have missed the opportunity to intervene or failed to act fairly and reasonably in some other way, and Miss L could instead, or in addition, have sought to complain against those firms. But Miss L has not chosen to do that and*

*ultimately, I cannot compel her to. In those circumstances, I can only make an award against Revolut.*

*I'm also not persuaded it would be fair to reduce a consumer's compensation in circumstances where: the consumer has only complained about one respondent from which they are entitled to recover their losses in full; has not complained against the other firm (and so is unlikely to recover any amounts apportioned to that firm); and where it is appropriate to hold a business such as Revolut responsible (that could have prevented the loss and is responsible for failing to do so). That isn't, to my mind, wrong in law or irrational but reflects the facts of the case and my view of the fair and reasonable position.*

*Ultimately, I must consider the complaint that has been referred to me (not those which haven't been or couldn't be referred to me) and for the reasons I have set out above, I am satisfied that it would be fair to hold Revolut responsible for Miss L's loss from the third payment subject to a deduction for her own contribution which I will consider below.*

*Should Miss L bear any responsibility for her losses?*

*I have thought carefully about whether Miss L should bear some responsibility for her loss by way of contributory negligence (which might justify a reduction in compensation).*

*In considering this point, I've taken into account what the law says about contributory negligence as well as what's fair and reasonable in the circumstances of this complaint. Having done so, I consider that Miss L should bear equal responsibility for her loss.*

*When considering whether a consumer has contributed to their own loss, I must consider whether their actions showed a lack of care that goes beyond what we would expect from a reasonable person. I must also be satisfied that the lack of care directly contributed to the individual's losses.*

*I accept that this was a sophisticated and well-orchestrated scam. I can understand how certain factors may have made the scheme appear legitimate – for example the existence of an online platform where Miss L completed her tasks, and the fact the scammers cloned a legitimate recruitment firm.*

*But I cannot ignore that there were also aspects of the scam that were highly implausible – for example the expected commission in comparison to the work completed (Miss L was told she could earn up to 800USDT a week, but that the job was non-technical, required no experience and would take up to two hours maximum a day), the fact that Miss L would be paid in crypto (something she had no experience with and didn't fully understand), and that she needed to pay money to enable her to release her commission.*

*But most significantly, I note that Miss L had herself questioned the legitimacy of the scheme from the outset. In messages to the scammer Miss L said "can you confirm it is not a scam?" She also expressed frequently that she did not understand the premise of the job and felt that she had been duped into making payments that she hadn't been warned about. But despite Miss L's reasonable concerns and suspicions she took no steps to check if what she was doing was legitimate, for example researching the type of job online or making enquiries into the company she was dealing with. Had she done so I think the scam could have been uncovered.*

*Having considered the overall circumstances of what happened, I'm not persuaded Miss L took reasonable care to protect herself from the risk of financial harm. I consider that a reasonable person would have had enough reason to question the legitimacy of what was going on and would ultimately not have made the payments.*

*As such, I think it is fair in the circumstances that Revolut and Miss L share equal responsibility for the losses she suffered on 15 and 16 August 2023.*

#### *Putting things right*

*As both Revolut and Miss L could have prevented the loss from the third payment, it is fair that Revolut should refund 50% of the losses from that date onwards. It should also add 8% interest to the payment to compensate Miss L for her loss of the use of that money ever since.*

#### **My provisional decision**

*For the reasons I've explained, I intend to uphold this complaint about Revolut Ltd and instruct it to pay Miss L:*

- £5,900 (50% of the payments made on 15 and 16 August 2023), plus
- 8% simple interest per year on that amount from the date of payment to the date of settlement (less any tax properly deductible)."

Revolut didn't respond to my provisional decision, despite a reminder being sent on 4 December 2024.

R confirmed Miss L's acceptance.

Given both parties have had the opportunity to respond, I can now proceed with making my final decision on this complaint.

#### **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 the absence of any further points for my consideration, I see no reason to depart from the conclusions I have set out above. I therefore remain of the view that Revolut is responsible for the loss Miss L suffered from the third payment onwards. And that it would be fair to reduce the award by 50% due to contributory negligence on Miss L's part in these circumstances. It follows that I think Revolut should refund £5,900 to Miss L and pay 8% simple interest to recognise the loss of use of money she suffered.

#### **My final decision**

My final decision is that I uphold this complaint in part. I direct Revolut Ltd to pay Miss L:

- £5,900 (50% of the payments made on 15 and 16 August 2023), plus
- 8% simple interest per year on that amount from the date of each payment to the date of settlement (less any tax properly deductible).

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss L to accept or reject my decision before 7 January 2025.

Lisa De Noronha  
**Ombudsman**