

The complaint

Mr D complains that Revolut Ltd won't refund money he lost when he fell victim to a scam.

What happened

The detailed background to this complaint is well known to both parties and has also been set out previously by the investigator. The facts about what happened aren't in dispute, so I'll focus on giving my reasons for my decision.

Briefly, Mr D fell victim to a fake job scam in October 2023. He received messages from an individual purporting to be representing an employer who would pay Mr D for completing data sets online, I will call this scam employer B. These sets were unlocked by paying fees in crypto. Mr D made around 6 payments via a crypto exchange and via peer-to-peer crypto transfers to B. These occurred in November 2023. On 20 November 2023, Mr D contacted Revolut to report that he had been scammed. Whilst he was waiting for Revolut's final response Mr D sent a further four payments to the scammer via peer-to-peer crypto transfers in December 2023 and January 2024.

When he remained unable to withdraw his "income" from the scammers platform he realised he had been scammed. Revolut issued its final response later in January 2024 and declined to refund Mr D's transactions.

One of our investigators looked into this matter already and he did not uphold this complaint. He thought that the warnings given by Revolut for the transactions in November 2023 were sufficient. He thought that Revolut should have provided a clearer warning about job scams when Mr D first complained on 20 November 2023. But that this would not have stopped the scam.

As Mr D didn't agree with the investigator's conclusions, the matter was referred for an ombudsman's 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 be good industry practice at the time, I consider it fair and reasonable that in November 2023 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 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 multistage 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.

The first four transactions that Mr D made were too small for me to think that Revolut should have intervened. They also did not form a pattern indicative of someone being scammed.

Revolut did intervene on the next payment, which was for £1,329.24. This payment was, flagged as suspicious on Revolut's fraud detection systems and was blocked. Revolut advised Mr D that the payment was flagged as a potential scam. It then asked him to answer a series of questions, including whether he was being guided on what to do or being told that the situation was urgent. Revolut has provided Mr D's response to that question, as well as subsequent questions. I can see he told Revolut that no one was assisting or guiding him.

The next question Mr D was asked was, why he was making the payment. Mr D was required to select from a list of options. He selected 'investments'. The next question asked what kind of investment Mr D said that it was for crypto gains. Mr D was given a crypto warning by Revolut and was then passed to a live agent in Revolut's in app chat. In this chat Mr D confirmed that he was "investing in funds"; and that nobody was guiding him; and he had not been asked to install any software. This is despite him making the payments to unlock income for an online job; he had been told what to do by the scammer; and he had been asked to install remote access software.

During the next payment Revolut intervened again asked similar questions and received similar answers from Mr D. I think that given the answers Mr D gave, Revolut was prevented from providing a warning that related to job scams.

I agree with the investigator that Revolut should have provided a more detailed job scam warning when Mr D first raised his complaint in November 2023. I don't think though that this would have stopped the scam. I say this because on 15 November 2023 Mr D received an e-mail from the real marketing company that B was pretending to be in which it confirmed that B were scammers and that it did not offer jobs on messenger services. That they had seen similar cases before and they even had a warning on their website. So given that Mr D had confirmation from the company that B was pretending to be that B were scammers and yet Mr D still sent B further funds. So intent was Mr D on sending funds to B, even when he'd been warned by both Revolut and the actual company that B was pretending to be, that B was a scam, I don't think a more detailed warning provided by Revolut would have stopped Mr D.

When Mr D sent further payments to B in December 2023 and January 2024, I think that Revolut should have provided further warnings tailored to reasons that Mr D provided for making those payments. I can see that it did attempt to do this. But in this instance though, Mr D again said he was making an investment and went further to say he was investing in funds for foreign exchange, commodities, stocks, or bonds. He then confirmed that he had not been asked to install software and he had checked reviews of the company that he was dealing with. Again, I think that these answers were designed to deliberately mislead Revolut which, in turn, prevented Revolut from being able to providing Mr D with a relevant warning or being able to identify that the payments were part of the same scam.

So overall given the answers the Mr D provided, I don't consider Revolut acted unfairly in allowing the payments to be made.

I've also thought about recovery of the payments once Revolut became aware of the situation. The payments Mr D made were to individuals selling cryptocurrency who were very likely unconnected to the fraudsters. As those individuals were unlikely to be involved in the fraud, even if it were practical or possible to recover funds from them, it would be unlikely to be fair for that to happen (given that they'd legitimately sold cryptocurrency to Mr D and he received - at least initially - the cryptocurrency that he'd purchased. So, I don't think Revolut should have done anything more to try and recover Mr D's money.

I appreciate this will likely come as a disappointment to Mr D, and I'm sorry to hear he has lost a significant amount of money. However, in the circumstances, I do not consider it would be fair and reasonable to hold Revolut liable for his loss.

My final decision

For the reasons given above, I do not uphold this complaint.

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

Charlie Newton
Ombudsman