

The complaint

Mr K complains that Revolut Ltd won't refund money he lost when he was the victim of a scam.

Mr K is represented by a third-party firm, but I will refer to Mr K here.

What happened

The background to this complaint is well known to both parties, so I won't repeat everything here. In summary, Mr K fell victim to a task-based job scam in which he was required to rate products in exchange for commission. I'll refer to the company Mr K believed he was working for as "H". He also opened an account with a legitimate cryptocurrency exchange platform, "C".

Mr K said he was given access to an account with H and was in training for three days. He has said he was able to earn commission during this period. Mr K explained that he initially paid £20 from his Revolut account to an individual as part of the role and was sent £90.27, which the scammers said was the commission he had earned.

After completing certain tasks his balance went into a negative position, and he was told he needed to deposit cryptocurrency to his account with H to continue earning commission. Mr K has said he used his Revolut account to send money to C, where the funds were converted into cryptocurrency before being sent on to the scammer. He also used his Revolut account to exchange funds ('fiat' currency) into cryptocurrency, which he then withdrew and sent on to the scammer.

Mr K has provided us with a breakdown of the transactions he made in relation to the scam, which I have included below:

Date	Type of Transaction	Amount
14 July 2024	Transfer to third party account	£20
14 July 2024	Credit received from cryptocurrency exchange platform	£90.27
15 July 2024	Cryptocurrency exchange	£165
17 July 2024	Card payment to a cryptocurrency account	£500
24 July 2024	Card payment to a cryptocurrency account	£1,000
24 July 2024	Card payment to a cryptocurrency account	£550
25 July 2024	Card payment to a cryptocurrency account	£1,500
25 July 2024	Card payment to a cryptocurrency account	£450
	Total loss (less any credits received)	£4,094.73

After realising he'd been scammed, Mr K reported the matter to Revolut. It refused to refund any of the transactions. Unhappy with this, Mr K complained to Revolut that it didn't protect him from financial harm at the time he made the transactions. The complaint was subsequently referred to our service.

Our Investigator looked into the complaint but didn't uphold it. Our Investigator didn't think Mr K had provided sufficient evidence to demonstrate a scam had taken place. However, he didn't think this made a difference to the outcome as the payments Mr K made weren't unusual and so he didn't feel Revolut should have identified a scam risk. Mr K didn't agree. He said, in summary, that the payments were being made to a cryptocurrency exchange, and given the risks associated with cryptocurrency, Revolut should have intervened on the transactions.

Mr K's complaint has now 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.

I'm sorry to disappoint Mr K, but I'm not upholding his complaint - for broadly the same reasons as the Investigator.

I think it's important to note here that Mr K has provided us with limited information of his involvement in the scam. For example, we've not been provided with any evidence of his cryptocurrency statements or evidence that the funds moved from his cryptocurrency account and were sent to the scammer. Generally, I would expect to see some more evidence to link the disputed payments to a scam, before considering if Revolut should have done anything else to intervene in the payments.

However, I don't think this makes a difference to the outcome of Mr K's complaint because, like the Investigator, I don't think Revolut ought reasonably to have identified the payments as suspicious or out of character, such that it ought to have intervened. So, I'm going to proceed on the basis that Mr K did suffer a loss to the scam he's described.

I've thought about the Contingent Reimbursement Model Code (CRM Code) which can offer a potential means of obtaining a refund following scams like this one. But as Revolut isn't a signatory of the CRM Code, these payments aren't covered under it. I've therefore considered whether Revolut should reimburse Mr K under any of its other obligations.

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 July 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, 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 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.

But, with that in mind, there is also a balance to be struck between identifying payments that could potentially be fraudulent and minimising disruption to legitimate payments.

So, the starting point for me is to consider whether any of Mr K's payment instructions – taken either individually or collectively – were particularly unusual or suspicious to have required intervention from Revolut.

I have reviewed Mr K's account history. All the transactions were all relatively modest so they were unlikely to have appeared unusual to Revolut or presented an obvious scam risk in value alone. Mr K sent one faster payment to an individual for £20. Revolut have advised it showed Mr K a 'new payee' warning. Given the size of the payment this was appropriate to the risk identified.

Most of the payments were made to a legitimate cryptocurrency exchange. Mr K has advised that Revolut should have recognised these payments carried a higher risk of fraud. While there are known fraud risks associated with cryptocurrency, as scams like this have unfortunately become more prevalent, not all payments related to cryptocurrency are scam related. This means that I wouldn't expect Revolut to intervene on a payment just because it related to cryptocurrency.

I also don't think there was anything particularly unusual about the money Mr K exchanged into cryptocurrency such that I consider Revolut should have had cause for concern. I accept that Mr K was exchanging fiat currency into cryptocurrency. But as explained above, that doesn't mean that the transaction ought to have flagged as suspicious as buying cryptocurrency is a legitimate exercise.

The payments and exchange were made over several days and weren't increasing significantly in value, so I don't think there was a pattern emerging that ought to have put Revolut on notice that Mr K may be falling victim to a scam.

So, while Revolut should be looking out for signs that its customers are at risk of financial harm from fraud, I'm not persuaded the value, the destination of the payments or the frequency of the transactions were so unusual or suspicious for Revolut to have done, more than it did, before processing them.

I understand that Mr K was experiencing some difficult circumstances at the time he fell victim to the scam. I'm sorry to learn about this, but I can't say that Revolut was or should have been aware that he was vulnerable or made any special adjustments for him at the time the transactions were made.

Could Revolut have done anything to recover Mr K's money?

Most of the transactions from Mr K's Revolut account were to either purchase or exchange cryptocurrency, which was then sent to the fraudster (albeit he didn't know that at the time).

Recovery in this instance would have been unlikely, given the cryptocurrency was already in the hands of the scammer.

Specifically for the debit card payments, it's possible to dispute a payment through a process called chargeback, which can sometimes be attempted if something has gone wrong with a debit card purchase, subject to the relevant card scheme's rules. Revolut didn't think a chargeback would have been successful in the circumstances, which I agree with. This is because Mr K received the service he'd paid for in purchasing cryptocurrency.

Revolut did attempt recovery of the faster payment Mr K made but it was advised that the payment had left the beneficiary account. There was a small delay in reporting this payment so I don't think there was anything further Revolut could have done to recover it.

I'm sorry to hear Mr K suffered a financial loss as a result of what happened. But it would only be fair for me to direct Revolut to refund his loss if I thought it was responsible – and I'm not persuaded that this was the case. For the above reasons, I think Revolut has acted fairly and so I'm not going to tell it to do anything further.

My final decision

For the reasons I've explained, I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 8 July 2025.

Aleya Khanom
Ombudsman