

The complaint

Miss C is unhappy Revolut Ltd won't refund the money she lost as the result of a scam.

Miss C made her complaint to Revolut through a representative. The representative no longer acts for her and, for ease, I'll refer to all submissions as being from Miss C.

What happened

On 18 February 2025 I issued my provisional decision on this complaint. I wanted to give both parties a chance to provide any further evidence or arguments before I issued my final decision. That provisional decision forms part of this final decision and is copied below.

"What happened

Miss C says she received a message from an unknown contact on a popular instant messaging application by someone claiming to represent a well-known recruitment firm. She says she had previously used the recruitment firm and assumed that was how they'd received her information. Only later did she discover this person was a fraudster.

The fraudster told Miss C that their company was an official promotion platform, used to increase the visibility of their products in search engine results. The fraudster said that the products to be promoted would be allocated to her on her personal work account. Miss C asked for more details about the role and her responsibilities. The fraudster said she would receive training and good earnings, and she could start immediately. The fraudster then provided detailed explanations of how to set up her account to their platform, including screenshots and step-by-step instructions. The process required Miss C to open an account with Revolut - and she'd not used Revolut before.

The job website had a balance section and an earnings section. It included applications ('apps') Miss C recognised and a recognised logo. She said the app appeared professional and reassured her that it was a legitimate and professional website.

The fraudster told Miss C the required number of "clicks" to complete a task, each of which would generate a profit and that she could earn £100 to £150 a day, together with a work bonus. She was reassured because she had her own "login" details to control her commission. She had a "customer service" contact, the site seemed to have access to sophisticated software and the fraudster also added her to a group chat which made her feel she was well supported. The other messages on the group chat appeared genuine.

Miss C was initially asked to make 'push-to-card' payments from her Revolut account (that is, payments directly to a card account rather than to a bank account). She received an initial payment of £32 to her Revolut account, which reassured her further that this was a genuine job. After her first few tasks, she received further payments of £159 (28 March 2024) and £263 (29 March 2024). She was notified of a "specific ticket" task which meant her work account fell into a deficit, which required her to deposit funds to clear it. She questioned this and was reassured that it was normal. When she funded her account the fraudster said she

would receive a higher profit and commission. Messages in the group chat reassured her that receiving a specific ticket task was positive and she'd earn more commission.

Between 27 March 2024 and 31 March 2024 Miss C transferred 22 payments totalling £3,270.45 from her newly opened Revolut account to several new payees. The later payments were foreign currency international transfers to another new payee's bank account.

After making 9 payments each of £204.75 (which included a £4.75 fee per payment) on 31 March 2024 the fraudster told Miss C she must deposit a further £3,000 to her work account to fund a deficit. At this point, Miss C became very suspicious. She questioned the fraudster and said their aggressive shift in tone made her realise she'd been the victim of a cruel scam. Taking into account the three credits she received from the fraudster of £32, £159 and £263 respectively, Miss C lost £2,816.45 to the fraud.

The relevant payments (including fees) from Miss C's Revolut account are set out below:

	Date and time	Time	Type of payment	Amounts	Recipient
1	27 March 2024	18:35	Push-to-card	£50.35	A
2	28 March 2024	11:50	Push-to-card	£50.35	B
3	28 March 2024	13:27	Push-to-card	£55.38	D
4	29 March 2024	15:04	Push-to-card	£50.35	E
5	29 March 2024	15:39	Push-to-card	£83.86	F
6	29 March 2024	16:00	Push-to-card	£51.86	F
7	30 March 2024	13:49	Push-to-card	£50.86	F
8	30 March 2024	15:40	Transfer	£150.49	G
9	30 March 202	15:41	Transfer	£150.49	G
10	30 March 2024	17:40	Transfer	£182.81	G
11	30 March 2024	17:41	Transfer	£183.56	G
12	30 March 2024	17:42	Transfer	£183.56	G
13	30 March 2024	17:54	Transfer	£183.78	G
14	31 March 2024	11:37:52	Transfer	£204.75	G
15	31 March 2024	11:38:13	Transfer	£204.75	G
16	31 March 2024	11:38:28	Transfer	£204.75	G
17	31 March 2024	11:38:42	Transfer	£204.75	G
18	31 March 2024	11:38:55	Transfer	£204.75	G
19	31 March 2024	11:39:10	Transfer	£204.75	G
20	31 March 2024	11:39:22	Transfer	£204.75	G
21	31 March 202	11:39:36	Transfer	£204.75	G
22	31 March 2024	11:39:50	Transfer	£204.75	G

Miss C reported her concerns to Revolut. She said the money she paid to the fraudsters represented her savings for higher education, and the scam has affected her professionally and personally. She did not recall Revolut giving her any warnings despite the pattern and volume of payments from her newly opened account with it. Had it warned her, she said she wouldn't have proceeded with the payments.

In its final response letter, Revolut responded to say:

- It issued a fraud protection warning to Miss C when it detected payments were being performed to a new beneficiary. Miss C acknowledged the warning and, having done so, was free to continue.
- It issued warnings about scams through emails direct to its customers and via blogs.

- *It was not at fault in processing the transactions authorised by Miss C. It did so in line with its terms and conditions and best practices.*
- *Within 24 hours of Miss C reporting the fraud, it gathered information and launched a request to freeze and retrieve her funds. But by 20 April 2024 it became clear it couldn't recover any money and it informed her of this.*
- *It is not liable for the authorised transactions. It acted fairly and did everything it reasonably could to try to recover Miss C's funds.*

Miss C brought her complaint to this Service. We asked for Revolut's file. In addition to the points it made in its final response letter, Revolut said, in summary:

- *Miss C funded the account herself. The payments were push-to-card (card transfers) and international transfers. One push-to-card payment was declined on the beneficiary bank's side for unknown reasons.*
- *It gave this warning to Miss C when she set up a payment to a new payee:*
"Review Transfer
Do you know and trust this payee?
If you're unsure, don't pay them, as we may not be able to help you get your money back. Remember, fraudsters can impersonate others, and we'll never ask you to make a payment."
- *It did not give Miss C any other warning and it didn't directly intervene in any of the payments.*
- *Revolut didn't consider it could reasonably have identified that Miss C had been the victim of a scam because:*
 - *The transactions were not high value, individually or combined and there was nothing concerning about them.*
 - *The largest payment was £204.75 and this is not a lot based on Revolut's customers in general.*
 - *The transactions were spread out over a period of five days.*
 - *As it was a new account, there was no prior transactional history of the account.*
 - *Miss C selected "transfers" as a main reason for opening the account.*
 - *There was nothing unusual or "untoward" which would have required it to intervene – the account operated how it would expect a Revolut account to be used. Sending money internationally and via push-to-card is a common way its customers use its services due to convenience and its competitive rates.*
- *Revolut considers Miss C was negligent because:*
 - *The returns/salary were unreasonable - £100 to £150 per day for one hour of work excluding bonuses.*
 - *Miss C would have seen negative results had she searched against the fraudster's website address.*
 - *No legitimate employer would communicate via the messaging platform, which is so informal.*
 - *The nature of the job was "dishonest" – providing "bogus" reviews – and so Miss C would have known it was not ethical. As such, it thinks any intervention on its part wouldn't have led to a better outcome.*
- *The push-to-card transactions could not be disputed through the chargeback scheme or recovered. For the international banking transfers, the receiving bank said they'd barred the beneficiary but the transfers had completed and there were no funds remaining in the account.*

In addition, Revolut has made a number of other arguments to support its position, which I've summarised below:

- *It has no legal duty to detect and prevent fraud and it must comply strictly and promptly with valid payment instructions. It does not need to concern itself with the wisdom of those payments. This was confirmed in the Supreme Court judgement in the case of Philipp v Barclays Bank UK plc [2023] UKSC 25.*
- *There are no legal obligations, regulatory obligations, industry guidance, standards or codes of practice that apply to Revolut that oblige it to refund victims of authorised push payment ('APP') fraud. By suggesting that it does need to reimburse customers, it says our service is erring in law.*
- *The Payment Service Regulator's ('PSR') mandatory reimbursement scheme will not require it to refund payments made in these circumstances either.*

Our Investigator looked into the complaint but didn't uphold it. Our Investigator thought that:

- *Revolut shouldn't have been concerned by the payments because Miss C had opened the account and made payments to different payees over five consecutive days in line with her reasons for opening the account, which were "transfers" and "freelancing". The payments were relatively low value and it wasn't uncommon for an account balance to be topped up, used and then topped up again.*
- *While there had been several transactions in single days, the payments were relatively low value, the maximum in any one day was under £2,000 and the pattern was not concerning. On the final day the values were the same but didn't look like the typical fraud pattern. There weren't sufficient grounds to show Miss C was at risk of financial harm from fraud when she made the payments and they didn't think Revolut was at fault for processing the payments.*
- *There was no clear mechanism for Revolut to recover the push-to-card payments, so there was little chance of a successful recovery. For the international transfers, Revolut contacted the beneficiary's bank but no funds remained so it couldn't recover any money.*

Miss C strongly disagreed. She said, in summary:

- *She's a victim of fraud and we've made her feel the losses were her fault, when she'd been targeted by scammers who were meticulous in their scam. Her life has been turned upside down.*
- *She restated her earlier points about why she honestly thought that the fraudsters were genuine recruiters looking for a candidate for a genuine job.*
- *Revolut should have flagged the payments as suspicious. It has a "duty" to detect and prevent fraud and its systems should reasonably have been updated to combat known fraud patterns. Her own bank 'B' called her immediately when she tried to transfer £500 from her account with it – so she questions why Revolut didn't do the same.*
- *The fraudsters told her to download the Revolut app as this would make it easier for her to transfer money. She now thinks the fraudsters knew that Revolut had "poor systems" which is why they asked her to use its app to make the payment. She'd previously used a different named payment service, but the fraudsters didn't want her to use that one because it had better security systems.*
- *She was a new customer, making multiple payments to multiple new payees around the world. The payments started small but then gradually increased. The payments might seem low to us but to her they were high. She lost her savings for her higher education, and this was all the money she had.*
- *Revolut's obligations hadn't been met in the light of the "sheer velocity" of payments exiting the account. At one point she was told to send £200 (plus a £4.75 fee) 9 times non-stop – and she can't understand why this didn't raise suspicions for Revolut.*
- *Her account had been constantly loaded and drained over multiple transactions, which was indicative of both "fraud" and "money laundering". Revolut failed to pick up*

on this.

As an agreement couldn't be reached, the case was passed to me for a decision.

I noted that Miss C said her bank had called her before making a £500 payment, although it wasn't clear whether this was in relation to the scam payments that are the subject of this complaint. Our Investigator has checked with both bank H and bank B and they said they'd not given any warnings to her in the timescale of this scam.

What I've provisionally 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 deciding what's fair and reasonable, I am 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.

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 C 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".

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

Whether or not Revolut was required to refuse or delay a payment for one of the reasons set out in its contract, the basic implied requirement to carry out an instruction promptly did not in any event mean Revolut was required to carry out the transfers immediately¹. Revolut could comply with the requirement to carry out transfers promptly while still giving fraud warnings, or making further enquiries, prior to making the payment.

And, I am satisfied that, to comply with regulatory requirements (including the Financial Conduct Authority's ('FCA') "Consumer Duty", Revolut should in March 2024 fairly and reasonably 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 (irrespective of whether it was also required by the express terms of its contract to do so).

In reaching the view that Revolut should 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, I am mindful that in practice all banks and EMLs like Revolut do in fact seek to take those steps, often by:

- using algorithms to identify transactions presenting an increased risk of fraud²;*
- 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.*

In reaching my conclusions about what Revolut ought fairly and reasonably to have done, 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*

¹ The Payment Services Regulations 2017 Reg. 86(1) states that "the payer's payment service provider must ensure that the amount of the payment transaction is credited to the payee's payment service provider's account **by the end of the business day following the time of receipt of the payment order**" (emphasis added).

² For example, Revolut's website explains it launched an automated anti-fraud system in August 2018:

https://www.revolut.com/news/revolut_unveils_new_fleet_of_machine_learning_technology_that_has_seen_a_fourfold_reduction_in_card_fraud_and_had_offers_from_banks/

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 Code³ 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 Duty⁴, 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".⁵*

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 March 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 – (as in practice Revolut sometimes does).*

³ BSI: PAS 17271: 2017" Protecting customers from financial harm as a result of fraud or financial abuse".

⁴ Prior to the Consumer Duty, FCA regulated firms were required to "pay due regard to the interests of its customers and treat them fairly." (FCA Principle for Businesses 6). As from 31 July 2023 the Consumer Duty applies to all open products and services.

⁵ The Consumer Duty Finalised Guidance FG 22/5 (Paragraph 5.23).

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

It isn't in dispute here that Miss C has been the victim of a cruel scam, nor that she authorised the payments that are the subject of this complaint. As I've set out above, the starting point is that EMLs are required to follow the instructions given by their customers, in order for legitimate payments to be made as instructed.

But I've considered whether Revolut should reasonably have recognised that Miss C was at risk of financial harm from fraud and have had a closer look at the circumstances surrounding the payments that she made from her newly opened account with Revolut.

I've seen that Miss C made 7 push-to-card payments to 4 new payees in the first 4 days her account with Revolut was open; that is, payments 1 to 7 from 27 to 30 March 2024 inclusive. Payments 5 to 7 were push-to-card payments made to an additional new payee. I've considered Revolut's comments that the payments were all fairly low in value – between £50.35 and £83.86. I've also considered Miss C's comments about the payments not being low in value to her. I don't consider either the amounts or pattern of those initial payments meant Revolut should have recognised she was at risk of financial harm.

But on 30 March 2024 Miss C began to make international transfers to an additional new payee. The transfers quickly increased in value from £150.49 (transfers 8 and 9) to between £181.86 to 183.78 (transfers 10 to 13). The following day 9 transfers of £204.75 were made in quick succession (transfers 14 to 22).

I've thought about Revolut's point about the value of the transactions. But Revolut would have known that multiple transfers, of increasing value, being made to the same payee in quick succession can often be an indication of fraudulent activity. Given Miss C had made transfers of increasing amount in quick succession, I am currently satisfied that transfer 13 of £183.78 made at 17:54 on 30 March 2024 should reasonably have been considered as unusual and triggered an intervention by Revolut.

Transfers of this pattern are not how companies normally operate and had all the hallmarks of a job scam. I consider there would have been reasonable grounds for suspicion here, at payment 13. And I think that Revolut should reasonably have given Miss C a tailored scam warning in light of all the information then known to financial professionals about the risks associated with this type of job scam.

What did Revolut do to warn Miss C?

Revolut has said that when Miss C set up a new payee it gave the following warning to her:

*“Review Transfer
Do you know and trust this payee?*

If you're unsure, don't pay them, as we may not be able to help you get your money back. Remember, fraudsters can impersonate others, and we'll never ask you to make a payment.”

Revolut said Miss C had to accept the warning to proceed with the payments. She's said she doesn't recall seeing the warning but I think it's likely that the warning was displayed to her.

While I don't discount this warning entirely, it is very general in nature and it's difficult to see how it would resonate with Miss C or the specific circumstances of the transactions in question. I don't think that providing the warning above in relation to the international transfer

payee was a proportionate or sufficiently specific mechanism to deal with the risk that the transfers presented. I think Revolut should have done more.

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 the international transfers 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 customers 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 the above, I think that by March 2024, 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. As I explained earlier in this decision, I understand Revolut did have systems in place to identify scam risks associated with card payments which enabled it to ask some additional questions and/or provide a warning before allowing a consumer to make a card payment. I also 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 a firm should by March 2024, on identifying a heightened scam risk, 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.

Taking that into account, I'm satisfied that by March 2024, fairly and reasonably, Revolut ought to have attempted to narrow down the potential risk further. I'm satisfied that by the time Miss C attempted to make payment 13 of £183.78 on 30 March 2024 Revolut should have asked her a series of automated questions designed to narrow down the type of job related scam risk associated with the payments she was making.

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 C gave. I'd expect any such warning to have covered off 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. As I've said, I acknowledge that any such warning relies on the customer answering questions honestly and openly, but I've seen nothing to indicate that Miss C wouldn't have done so here.

In finding Revolut should have identified that payment 13 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. I am satisfied that this was a sufficiently common scam.

As I’ve set out, I accept that under the relevant card scheme rules Revolut cannot delay a card payment. In this case, I currently don’t consider Revolut should have intervened in any of Miss C’s card payments. But for completeness if I did consider it should have intervened I would have considered whether it should fairly and reasonably have declined a card payment.

But I currently consider that Revolut should have intervened at the point Miss C made payment 13 of £183.78 on 30 March 2024. In the circumstances of this case, I think it is fair and reasonable to conclude that Revolut should have asked Miss C a series of questions and given a specific warning of the type I’ve described. Only after that scam warning had been given, if Miss C attempted the payment again, should Revolut have made the payment.

And as I’ve set out above Revolut did have systems in place in March 2024 to provide warnings of a similar nature to the type I’ve described (for both APP and card payments). So, it could give such a warning and, as a matter of fact, was providing such warnings at the relevant time.

If Revolut had provided a warning of the type described, would that have prevented the losses Miss C suffered from the payments?

I think that a warning of the type I’ve described would have identified that Miss C’s circumstances matched an increasingly common type of scam.

In response to our questions, she says that she was given a step-by-step guide on what to do when transferring money, for example, to select friends or family rather than business. She says the fraudsters did not tell her what to say to Revolut if it contacted her (and I am persuaded by her testimony as there is nothing in the instant messenger conversations that suggests she was coached in answering any questions from Revolut). She says she was told she had to click on the products’ posters approximately 15 times to boost their marketing.

I’ve read the instant messenger conversation between Miss C and the fraudsters. That conversation suggests that before she made payment 13 she already had some concerns about the scheme. She appears to have been concerned about the “specific tickets” and sought reassurance in the group chat conversation. She also realised that she’d been the victim of a scam the following day when the fraudsters asked her to pay a further £3,000 to access her “commission”. I think that indicates that it wouldn’t have taken much persuasion (if a warning could have been provided) to convince her that she was falling victim to a scam before she made payment 13 together with payments 14 to 22 that were made in quick succession the following day, 31 March 2024.

Is it fair and reasonable for Revolut to be held responsible for some of Miss C's losses?

In reaching my decision about what is fair and reasonable, I have taken into account that Miss C's Revolut account was funded by payments from her banks 'B' and 'H' (both high street banks and regulated businesses) and Miss C might potentially have a claim against B and/or H in respect of its actions. Neither B nor H are parties to this complaint and I make no findings about their roles here.

Whilst the dispute resolution rules (DISP) give me the power (but do not compel me) to require a financial business to pay a proportion of an award in circumstances where a consumer has made complaints against two or more financial businesses about connected circumstances, Miss C has not referred a complaint about either B or H to me and DISP does not empower me to instruct Miss C to make or refer a complaint to me about another business.

I've considered whether steps might have been taken to establish whether any other financial business involved in the payments Miss C made might have provided warnings that she should have taken notice of. In particular, I note that Miss C says her bank 'B' called her when she tried to make a payment of £500.

Miss C did not make a payment to her Revolut of £500. But given her comments we asked banks 'B' and 'H' whether they gave her any warnings when she made payments to Revolut. Bank 'B' said it did not intervene in the payments she made to Revolut in the relevant timescale. Bank 'H' said it couldn't locate payments to Revolut but it did not make any interventions in the relevant timescale.

Should Miss C bear any responsibility for her losses?

I've thought about whether Miss C should bear any responsibility for her losses connected to payments 13 to 22, being the payments I think she would likely not have made had Revolut given her a tailored scam warning.

In doing so, 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. This includes taking into account Miss C's own actions and responsibility for the loss she has suffered.

Miss C has explained why she thought she was responding to a genuine job offer.

I recognise that there were relatively sophisticated aspects to this scam, not least an apparently credible and professional looking platform, which was used to access and manage the user's apparent earnings and tasks. I note that Miss C was also part of an instant messaging group with other people who claimed to be making money and who reassured her about the "specific ticket" tasks. I can imagine this would have given some validation to the scheme.

But, at its heart, the scam appears to have had some features that made its plausibility questionable (though not completely so) by the time of payment 13. While I've not seen everything Miss C saw, the fraudster's explanation for how the scheme worked is difficult to understand in parts, and I think that on some level Miss C ought reasonably to have questioned whether the activity she was tasked with carrying out (which does not appear to be unduly time-consuming or arduous) was capable of generating the returns promised at the point that she was required to make additional payments in quick succession to an international payee who was not her family or friend.

As mentioned, I also think Miss C probably recognised (and ought reasonably to have recognised) that, prior to her making payments 13 to 22, the platform could effectively prevent her from withdrawing her funds by continuing to grant her “specific ticket” tasks without a clear explanation of why it was assigning these tasks to her, and when and how she might be able to withdraw her funds. This fact should have been even more concerning when, as happened on 30 March 2024, the funds required to bring her account to a positive balance increased significantly (and unsustainably).

I recognise that the scam operates on a cruel mechanism – always making the victim believe that one final payment will allow them to get back what they’ve put in. But, I think Miss C should have become increasingly aware (and to some extent she appears to have recognised) that dynamic before she made the final series of payments. But I also understand in scams such as this it can be difficult for a victim to have the sort of clear view that hindsight provides when they have gone through the earlier stages of a scam that, at first instance, has credible elements. I’ve also borne in mind the fact that the payments in this complaint were made over a short period of five days. I can therefore understand to some extent why Miss C did not immediately realise that she was falling victim to a scam.

So, given the above, I think Miss C ought reasonably to have realised that there was a possibility that the scheme wasn’t genuine. She did realise that she’d been the victim of a scam, seemingly without making any further enquiries, when the fraudster said on 31 March 2024 that she’d have to pay in an addition £3,000. In those circumstances, I think it fair that she should bear some responsibility for her losses.

For the avoidance of doubt, it is not my finding that Miss C knew that she was likely falling victim to a scam and went ahead anyway. Rather my finding is that she seems – to some extent – to have recognised that the platform could prevent her from withdrawing funds by granting her “specific ticket” tasks. I consider she could have realised from this and the other information available to her, that there was a possibility that the employment scheme wasn’t genuine or that she might not recover her money. In those circumstances, it would not be fair for me to require Revolut to compensate her for the full amount of her losses.

I’ve concluded, on balance, that it would be fair to reduce the amount Revolut pays to Miss C in relation to payments 13 to 22 because of her role in what happened. Weighing the fault that I’ve found on both sides, I think a fair deduction is 50%.

In making this provisional finding, I would like to make it clear that it is not my intention to blame Miss C for what happened. She fell victim to a cruel scam that was designed to deceive and manipulate its victims. Rather, I am making an assessment about whether Revolut should be responsible for her losses, in full or in part. And, in this case I consider Revolut was partly responsible for the reasons I’ve explained.

Could Revolut have done anything more to recover Miss C’s money?

Some of the payments were push-to-card payments, meaning that Miss C transferred money directly to a bank card instead of a bank account. There’s no clear mechanism for a successful recall to take place in these circumstances, meaning there’s no realistic prospect of a successful recovery, especially for international payments.

I’m satisfied that Revolut did contact G’s bank about the international transfers (payments 8 to 22) made on 30 and 31 March 2024. It did so within 9 hours of Miss C reporting the scam to Revolut. I’m satisfied that G’s bank told Revolut that there were no longer any funds remaining and it had closed G’s account due to the reported scam. I don’t think it would be

fair and reasonable to conclude that Revolut should have done anything more to try and recover Miss C's money.

Interest

I think Miss C should be paid interest on the payments which I've concluded she would not have made had Revolut given her a tailored warning. So Revolut should pay Miss C 8% simple interest as set out below on £1,013.15 being 50% of the following payments she made to G:

- £91.78, being 50% of payment 13; and
- £921.37, being 50% of payments 14 to 22.

Putting things right

The principal aim of any award I make must be to return Miss C to the position she'd now be in but for the acts or omissions of Revolut, while allowing for any responsibility she should reasonably bear. If Revolut had carried out an appropriate intervention before processing payment 13 as I've described, I'm satisfied the scam would have been stopped and Miss C would have retained the money she lost from that point on.

To put things right, I'm minded to require Revolut to pay Miss C:

- £1,013.15 being 50% of payments 13 to 22; and
- Simple interest of 8% per annum on £91.78 (being 50% of payment 13) from 30 March 2024 to the date of settlement; and
- Simple interest of 8% per annum on £921.37 (being 50% of payments 14 to 22) from 31 March 2024 to the date of settlement.

I've not deducted from the settlement the payments of £32, £159 and £263 that Miss C received from the fraudster. This is because the total amount she received from the fraudster was less than the total amount of payments 1 to 12 that she's responsible for and because she received that money before she made payments 13 to 22.

**If Revolut considers that it's required by HM Revenue & Customs to deduct income tax from that interest, it should tell Miss C how much it's taken off. It should also give Miss C a tax deduction certificate if she asks for one, so Miss C can reclaim the tax from HM Revenue & Customs if appropriate.*

My provisional decision

For the reasons given above, I intend partly to uphold this complaint and require Revolut Ltd to take the steps set out in the 'Putting things right' section above."

Responses to my provisional decision

Revolut didn't respond to my provisional decision.

Miss C responded to say that she agreed she should take some personal accountability for falling victim to the fraud but she thought this contribution should be no more than a 10% deduction. She thought Revolut should have intervened at Payment 7. She also asked me to

ensure Revolut did not deduct income tax from her compensation, which she would use to supplement her university course. In summary, she said:

- 1 I hadn't properly recognised the way in which she was targeted by the fraudsters. They'd contacted her using her CV which was publicly displayed on a well known recruitment platform. She was not contacted at random but rather in the way legitimate recruiters approach candidates. If I fail to take proper account of this, I risk penalising victims of targeted fraud rather than the financial institutions that failed to detect and prevent it.
- 2 Revolut failed to provide regulatory warnings and security measures. I'd not properly accounted for this; in particular:

- a The seven consecutive payments she'd made on 30 March 2024 without any warnings or alerts. Continuous transactions should have triggered an automatic review, in line with standard banking protocol. She said regulatory standards require banks to:

- Identify unusual transaction patterns;
- Send alerts or require customer confirmation for high-frequency transactions;
- Proactively intervene when customers make multiple transactions to new payees in a short period.

The transactions she made were completely out of character for a new customer with no prior history of international or high-volume transactions. Any other bank would have flagged this activity – and she referred again to her other bank (Bank B) which questioned her when she tried to transfer just £500. But Revolut did nothing despite 22 transactions totalling over £3,000.

- b Revolut's claim of having 'systems in place' to detect and prevent scams is unsubstantiated, given 22 transactions over 5 days did not trigger any security alerts. She says that the fact fraudsters frequently direct victims to use Revolut "*suggests that its security measures are inadequate compared to other banks*".

She quoted the BBC's Panorama programme and from a company I'll call 'R' which specialises in fraud recovery which she said supported her argument that Revolut lacks the necessary fraud prevention measures and should be held fully accountable for her losses.

- 3 It was inappropriate for me to use Phillip v Barclays Bank as justification for not holding Revolut fully liable because:
 - Philipp was decided under different circumstances, where the victim of a complex fraud received a warning and proceeded. She had no such warning.
 - Phillip focused on the bank's duty to prevent authorised transactions, not failure to detect fraud. Her case is different because Revolut failed in its regulatory duty to identify and prevent unusual transaction patterns.
 - Our approach to fraud claims has evolved since Philipp. Other recent ombudsman decisions have required banks to reimburse customers where the bank failed to detect clear signs of fraud – exactly what happened in her case.
- 4 The emotional and financial impact on her of this scam justifies additional compensation because:
 - She was forced to defer her university course because she lost her savings and the psychological distress led to depression meaning she has had to take

- antidepressant medication.
 - Revolut's poor handling of the case caused further distress, as she was forced to spend eight hours trying to report the scam via its app, with no immediate action taken.
- 5 She requests fair and reasonable compensation for payments 7 to 22, totalling £2,744.74 less 10% deduction for shared responsibility with no deduction for income tax to ensure she can fully use the compensation for her university fees.

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've carefully considered all Miss C's comments. Having done so, I'm not persuaded to depart from the findings I reached in my provisional decision for the reasons set out in that decision and below. I'll focus on what I think are the key issues.

Miss C's comments about Revolut's failure to intervene

Miss C says that I've not properly accounted for Revolut's failure to provide regulatory warnings and take appropriate security measures. She also says that I've used *Philipp v Barclays* as justification for not holding Revolut fully accountable. But I don't think that's correct.

In my provisional decision, I summarised the Supreme Court's findings in *Philipp* about the contractual duties owed by banks to their customers when making payments. But it's not the case that I've used *Philipp* as justification for not holding Revolut fully accountable.

I said that notwithstanding the starting position described in *Philipp* and the terms of Revolut's contract with Miss C, the basic implied requirement to carry out an instruction *promptly* did not mean that Revolut was required to carry out the transfers *immediately*. I went on to say:

"And, I am satisfied that, to comply with regulatory requirements (including the Financial Conduct Authority's ('FCA') 'Consumer Duty', Revolut should in March 2024 fairly and reasonably 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 (irrespective of whether it was also required by the express terms of its contract to do so)."

I also found that:

"...by March 2024, 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. As I explained earlier in this decision, I understand Revolut did have systems in place to identify scam risks associated with card payments which enabled it to ask some additional questions and/or provide a warning before allowing a consumer to make a card payment. I also 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 a

firm should by March 2024, on identifying a heightened scam risk, 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.

Taking that into account, I'm satisfied that by March 2024, fairly and reasonably, Revolut ought to have attempted to narrow down the potential risk further."

In summary, I found that Revolut should have recognised the risk of financial harm and intervened.

I've also noted Miss C's point about decisions made by ombudsman colleagues. She's not referred to any specific case, but I should say that we decide each complaint based on its own individual facts and merits – as I've done here.

I acknowledge Miss C's point about her bank B's intervention. I've found that multiple transfers of increasing value being made to the same payee in quick succession can often be an indication of fraudulent activity.

Miss C made 7 push-to-card payments to 4 new payees in the first 4 days her account with Revolut was open. But I don't agree that Revolut should reasonably have intervened at Payment 7 as Miss C suggests or that Revolut should be held fully accountable for her losses. Revolut did not have any account history to refer to, so I don't accept that the transactions were "*out of character*" for Miss C. I've noted Miss C's comments about the value of those payments. But I don't consider either the amounts or pattern of those initial payments meant Revolut should have recognised she was at risk of financial harm.

Miss C's 30 March 2024 international transfers to an additional new payee quickly increased in value. I remain of the view that transfer 13 of £183.78 made at 17:54 on 30 March 2024 should reasonably have been considered as unusual and triggered an intervention by Revolut. At this point it was clear that multiple transfers of increasing value were being made to the same payee in quick succession, and Revolut would have known that this pattern can often be an indication of fraudulent activity.

I've explained fully in my provisional decision why I think that if Revolut had carried out an appropriate intervention before processing payment 13 as I've described I'm satisfied the scam would have been stopped and Miss C would have retained the money she lost from that point on. I've also explained why I think a fair deduction for Miss C's contribution to her losses is 50%.

Should Miss C's contribution for her losses be lower?

Miss C has accepted that she should take some personal accountability but thinks this contribution should be no more than 10%. She considers I've failed to take proper account of the way she was targeted by the fraudsters and that I risk penalising her, the victim, rather than Revolut, which failed to detect and prevent the fraud.

I entirely accept that Miss C was the victim of a cruel scam. It is not my role to penalise Revolut for its failure to intervene because I do not have any regulatory role. And it's not my intention to penalise Miss C who was the victim of crime.

I have to reach a decision about what is, in my opinion, a fair and reasonable outcome taking into account relevant law and regulations, regulators' rules, guidance and standards, and codes of practice.

And so in this case 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 case. This includes taking into account Miss C's own actions and the responsibility for the loss she has suffered.

I've carefully considered Miss C's comments about her CV being publicly displayed on a well known recruitment platform, meaning the approach by the fraudsters appeared to her to be legitimate.

As I acknowledged in my provisional decision, I understand to some extent why Miss C did not immediately realise she was falling victim to a scam, and that the scam had some credible elements.

But I remain of the view that the scam had some concerning aspects that made its plausibility questionable. I've explained my reasons for this. In summary: the fraudsters' explanation for how the scheme worked is difficult to understand; the tasks did not appear time-consuming or arduous to generate the returns promised at the point Miss C was required to make additional payments in quick succession to an international payee who was not her family or friend; she ought reasonably to have recognised that the platform could prevent her from withdrawing funds and she didn't have a clear explanation for how she might be able to withdraw the funds.

I am still of the opinion that a fair deduction is 50%.

Should Miss C receive additional compensation for the emotional and financial impact on her of the scam?

I've been very sorry to read about the psychological distress Miss C has described following being the victim of a scam. I don't underestimate the impact of this on her. But I don't consider I can fairly compensate her for the distress she's suffered due to being the victim of a scam. I've considered whether I think it's fair for Revolut to compensate Miss C for its handling of matters following her report of the fraud.

I've looked again at the full exchange (in-app chat) between Miss C and Revolut on 31 March 2024 when Miss C reported the fraud to it. I can see that the exchange started at around 3pm and finished at around 8.35pm. During the exchange Revolut asked Miss C to share all the instant messenger messages she'd had with the fraudsters. Some of the information she shared appeared cropped and incomplete so I don't think it was unreasonable for Revolut to ask for additional images. I see Revolut reasonably also asked for the other conversations Miss C had with the fraudsters and the bank details for the payees. I think this is why the exchange took some time.

I've not been able to identify any significant delays by Revolut during the in-app chat while it was asking Miss C for all the relevant information about the fraud. At 18:33 Revolut said it might take the team a little while to come back to Miss C and at 19:11 Revolut asked her for additional information about bank details that weren't on the transactions she was reporting and for information about the payments she'd received. I see that Revolut told Miss C it was reviewing the case before it told her at 20:32 it had all the information it needed. Overall I don't consider there are any grounds for me fairly to award Miss C additional compensation for Revolut's response to her report of the scam.

Before she'd reported the scam to Revolut, Miss C had told the fraudsters that she realised she'd been scammed, so I think it's likely the fraudsters would have quickly moved the money she'd sent by international transfer. And I see that Revolut contacted G's bank about the international transfers (payments 8 to 22) within 9 hours of Miss C first reporting the scam to Revolut but G's bank said there were no funds remaining. I don't think it would be

fair and reasonable for me to conclude that Revolut should have done anything more to recover Miss C's money.

Interest

I've awarded interest on the compensation as set out below. But it's not for me to work out Miss C's income tax position. And in some situations, tax legislation requires a business to deduct income tax from the interest element of our awards and pay that tax to HM Revenue & Customs on the consumer's behalf.

So in my decision I'm not going to tell Revolut whether to deduct income tax or not. But if Revolut decides it's required to deduct income tax from the interest element of my award then I have directed Revolut to tell Miss C how much it's deducted and provide proof to her so she can raise further enquiries with HM Revenue & Customs if necessary.

I appreciate Miss C considers claiming any deducted tax is an additional burden for her and she wants to put the full award towards the cost of her university course. But I hope I've been able to explain why I won't require Revolut to pay the interest element of my award to her without any deduction of income tax.

Putting things right

The principal aim of any award I make must be to return Miss C to the position she'd now be in but for the acts or omissions of Revolut, while allowing for any responsibility she should reasonably bear. If Revolut had carried out an appropriate intervention before processing payment 13 as I've described, I'm satisfied the scam would have been stopped and Miss C would have retained the money she lost from that point on.

To put things right, I require Revolut to pay Miss C:

- £1,013.15 being 50% of payments 13 to 22; and
- Simple interest of 8% per annum on £91.78 (being 50% of payment 13) from 30 March 2024 to the date of settlement; and
- Simple interest of 8% per annum on £921.37 (being 50% of payments 14 to 22) from 31 March 2024 to the date of settlement.

I've not deducted from the settlement the payments of £32, £159 and £263 that Miss C received from the fraudster. This is because the total amount she received from the fraudster was less than the total amount of payments 1 to 12 that she's responsible for and because she received that money before she made payments 13 to 22.

*If Revolut considers that it's required by HM Revenue & Customs to deduct income tax from that interest, it should tell Miss C how much it's taken off. It should also give Miss C a tax deduction certificate if she asks for one, so Miss C can reclaim the tax from HM Revenue & Customs if appropriate.

My final decision

For the reasons I've explained, I partly uphold this complaint and require Revolut Ltd to take the steps set out in the '*Putting things right*' section above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss C to accept or reject my decision before 14 April 2025.

Amanda Maycock
Ombudsman