DRN-5421523

The complaint

Ms H complains that Revolut Ltd ('Revolut') declined to refund her approximately £3,400 which she lost as a result of a scam.

What happened

The circumstances of this complaint are well known to both parties, so I will not go into every detail of what happened here. But in summary, Ms H had fallen to a job scam in June 2024. In August 2024, Ms H was contacted about a different job opportunity which involved TikTok. She corresponded with the 'company' over the Telegram app, and was added to a group channel with lots of other subscribers. She was advised to complete tasks which she would be paid for, and was later told if she topped up her account she could access 'premium' tasks which would earn her more money. Ms H was advised to use her Revolut account to purchase cryptocurrency, which she then sent on to top up her account. She made ten transfers to cryptocurrency. When Revolut said she had reached her cryptocurrency allowance, she went on to purchase cryptocurrency through a 'peer-to-peer' process which meant she sent money in GBP to three individually named accounts. One further peer-to-peer payment was declined. This took place over a period of one month. The total amount she sent was just under £3,400. Unfortunately, when Ms H tried to release her funds she kept being asked for more money, and she realised she had fallen victim to another scam.

Revolut looked into what had happened and declined to refund Ms H's losses. They said that they were not at fault for processing the payments which she asked them to. They said they provided her with suitable warnings for paying new payees and sending money to cryptocurrency. They felt that this was a proportionate response to the level of risk the payments represented. They also said they had acted in line with expectations with regard to trying to retrieve the lost funds from the recipient accounts, but had not been able to get recover any of her losses.

Miss H was unhappy with Revolut's response and escalated her concerns to our service. One of our investigators looked into what had happened and did not recommend that Ms H's complaint be upheld. They did think that from the third cryptocurrency exchange, Revolut ought to have been on notice that Ms H was at risk of fraud or financial harm, particularly as they knew she had recently been the victim of a scam. But, our investigator was not persuaded that Revolut could have uncovered this scam and prevented the loss. They said that it seemed clear Ms H would have found a way to make the payments, as was evidenced by the fact she made two payments from an account she opened with another EMI when they did not go through with Revolut. They were satisfied that Revolut took the steps required of it to recover her funds as soon as it was aware of the scam. So, they did not recommend that Revolut refund any of Ms H's losses.

Ms H was not satisfied with our investigator's view of the complaint. She did not raise any specific points but asked for an ombudsman to review her complaint. So, the case has been passed to me to decide.

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'd like to start by saying that I was so sorry to read of the circumstances which brought Ms H to our service. It is clear from reading the evidence she has provided, and the conversations she has had with our service, that this scam has had a profound impact on her.

In summary, the starting position at law is that an Electronic Money Institution (EMI) like Revolut is expected to process payments and withdrawals that a customer authorises it to make, in accordance with the relevant regulations (in this case the Payment Services Regulations 2017) and the terms and conditions of the customer's account.

In this case, there is no dispute that Ms H authorised the payments, even though she was tricked into doing so by the scammers. So, the starting position is that Revolut is not liable for the transactions.

However, when considering the relevant rules, codes and best practice standards, there are some circumstances in which we think that businesses shouldn't have simply taken their customer's authorisation instruction at 'face value'. There are certain situations in which we think that businesses should have looked at the wider circumstances surrounding the transactions before making the payments.

Our service does not have the jurisdiction to consider payments made in cryptocurrency – they are not a regulated activity. What we can look at is the broader context of the complaint including the deposit of funds into the account and their subsequent exchange from GBP into cryptocurrency.

As the depositing of the funds is a regulated activity, and the use of the account to exchange them into cryptocurrency I would consider ancillary to a regulated activity (in much the same way that foreign currency exchange is) our service can consider whether in the process of handling these activities there was any obvious sign or indication of fraud or financial harm, whether Revolut ought to have detected it and whether their failure to do so is to blame for the loss.

Revolut also has a duty to exercise reasonable skill and care, pay due regard to the interest of its customers and to follow good industry practice to keep customer's accounts safe. This includes identifying vulnerable consumers who may be particularly susceptible to scams and looking out for payments which might indicate the consumer is at risk of financial harm.

Taking these things into account, I need to decide whether Revolut acted fairly and reasonably in its dealings with Ms H.

I'd like to be clear to Ms H and Revolut that I've considered this case carefully in light of all of this. I'm really sorry to disappoint Ms H, but in this case I'm not able to recommend that Revolut should be required to provide her with a refund. This is not to say that she has not been the victim of a cruel and callous scam. But my role here is to assess Revolut's actions in processing the payments and declining the refund. I do recognise that the payments were made as the result of fraud and I am really sorry that Ms H lost this money. But having looked into what happened, I don't think Revolut should reasonably have been expected to prevent her losses.

Should Revolut have recognised Ms H was at risk of fraud or financial harm, and if so, at which payment?

The important context in this case, is that Ms H had fallen victim to a similar scam just before this one, and Revolut were aware of this. So, I think it is fair to say that Revolut were aware that Ms H was vulnerable to falling victim to a scam, particularly since scammers will often attempt to re-victimise people.

Further to this, by the point in time in which Ms H made the transfers to cryptocurrency, it was well-known in the financial services industry that scammers were utilising cryptocurrency to take money from victims. By the end of 2022, many high street banks had even placed restrictions and additional friction on payments to cryptocurrency as it was recognised that they represented a higher fraud risk. So, I think it is fair to say that by the time these payments were made in 2024, Revolut would have been aware that payments to cryptocurrency carried an elevated risk of being associated with fraud and scams.

Our investigator has suggested that by the third payment to transfer GBP into cryptocurrency, Revolut should have recognised Ms H was at risk of fraud or financial harm, and I think this is a reasonable position to take. This was the third transfer to cryptocurrency, within around a week, and the second on that day. And the cryptocurrency had already been withdrawn or sent on from Revolut on two occasions. Whilst the amounts at this point were relatively low, with everything they knew about Ms H and the risks associated with cryptocurrency, I think it would be reasonable to expect them to have had cause for concern around this time.

What intervention took place regarding these payments and transfers from Revolut?

Whilst Revolut did not intervene on the third transfer to cryptocurrency, they did provide warnings before she was able to withdraw the cryptocurrency after the transfer in question, and again after another transfer.

The warning Revolut displayed asked if Ms H knew and trusted the payee. They said that if she was unsure, she should not make the payment as they could not help to recover it. They warned about impersonation scams, and made clear the payment would not be reversible. Still suspicious of the payment, Revolut paused the payment and asked Ms H further questions and provided further warnings and education about scams. They made clear that it was being stopped as they were concerned the payment could relate to a scam, and that she may not be able to get her money back if she did not answer questions truthfully. Ms H confirmed that, amongst other things, she was not being asked to ignore the warnings; that no one was pressuring her into making the transaction; and that she wasn't being asked to lie about the purpose of the payment. When asked about the purpose of the payment, Ms H said she was sending money to another account held in her name – despite one of the options being presented to her saying that she was sending money as part of a job opportunity. Revolut also held the payments for three hours in order to give Ms H time to reflect, and sent articles and links about common scams to her.

Revolut also intervened on one of the transfers Ms H made, which was a peer-to-peer cryptocurrency purchase (though Revolut would not have known this). They provided warnings relating to the fact that Ms H was paying a new payee, and paused the transaction. She was provided with warnings and confirmed that she knew and trusted the payee, that she wasn't being guided or rushed in completing the payment, that she was paying a friend or family member, and that it was money she owed them. Revolut provided other warnings about common scam types and how they could unfold, and warned that she could be falling victim to a scam. She confirmed that she understood this and that she may not get her money back if it was a scam. They again held the transaction for three hours to give her time to reflect on it.

Revolut also stopped one transfer that was again for a peer-to-peer cryptocurrency purchase after it flagged as high risk. When they did this, they sent her a link to further scam education resources.

Were Revolut's interventions proportionate?

I think that it is clear that Revolut were on notice that Ms H was at a heightened risk of fraud or financial harm. As I outlined above, she had alerted them to the fact she had fallen victim to such harm when she was scammed just before. She was making payments to cryptocurrency, which was known to pose a heightened risk of scams. Further to this, Ms H was actively talking to Revolut about the first scam when she started to message them about cryptocurrency withdrawals, stressing an urgent need for these to be put through. So, I think in this case, a human intervention was required.

The finding that Revolut ought to have done more here is not enough alone to say they should refund Ms H. I also need to consider whether further intervention would have likely prevented Ms H's loss. And whilst we can never know exactly what might have happened if further intervention had taken place, when considering everything on the balance of probabilities, I do not think they would have been able to prevent her loss. I'll explain why.

- Ms H was hiding the true nature of the payments she was making. During the payment processes Ms H was asked about the purpose of her payments, and despite there being an option to say that the payments were part of an online job opportunity, she was not honest about the purpose of her payments at the time. This, in and of itself, is not enough to say there was no way Revolut could have identified the scam, but it certainly makes it more difficult if customers are not honest about the true nature and purpose of payments they are making.

- When Ms H believed that delays in releasing cryptocurrency funds were due to Revolut flagging the payments and holding them, she got in touch with Revolut over the chat function. She told them the money was going to her own cryptocurrency account and there was nothing to worry about, she just wanted her money to be released before an upcoming trip she said she was taking.

- So, when considering all of this, I think if Revolut had been in touch with Ms H and asked further questions, it would be more likely than not that Ms H would not have divulged the true circumstances in which she was making these payments. This would have made it difficult, though not impossible, for Revolut to work out what was happening. I do think Revolut should have asked her probing questions, and not necessarily have taken her answers at face value. It is clear that Ms H did have a cover story prepared, as when cryptocurrency payments were taking longer than she expected, she told them she was sending the funds to her own cryptocurrency account and there was nothing of concern. So, I do think it would have been difficult for Revolut to uncover the scam she was falling for here.

- Regardless of whether they managed to uncover the exact type of scam she was falling for, I would have expected them to explore the common hallmarks of the type of scam she could be falling for. But having considered everything, I do not think this would have prevented the loss here. I say this because Ms H had fallen victim to a job scam just before she fell victim to this one. So, she would have already had a good understanding of the common hallmarks of this kind of scam when she made the payments. So, even if Revolut had managed to ascertain what these payments were really for, the action I would have expected them to take would in part be to explain these common traits, and I think this would have been redundant here.

- The evidence shows that Ms H was determined that the payments would go through and would do what it took to ensure it happened. It is likely this was due to heavy coaching by the scammers on what to do and what to say. When Revolut told Ms H that she had reached her limit for cryptocurrency payments, she followed the scammer's advice and started making peer-to-peer cryptocurrency purchases. The way these work is that money is simply sent to the seller, rather than to a clearly identifiable cryptocurrency exchange, and so can bypass blocks or limits. Furthermore, Revolut declined one of the peer-to-peer payments which she attempted to make, and so the following day she made a payment to a different payee from her Revolut account. In the meantime, Ms H made the payment to the blocked payee from an account she held with another EMI.

Overall, I think it is hard to say that Revolut could have uncovered the scam she was falling for, for the reasons outlined above. But, even if they had managed to, it seems that Ms H was determined to send this money by any means possible. So, I think even if Revolut had stopped more payments as they did with the peer-to-peer transfer, Ms H would have sent the money in another way, as she did in the case of the individual payment. When considering all of this, I do not think it would be fair and reasonable to conclude that Revolut could have prevented Ms H's loss here. And so it follows that it would not be fair and reasonable to ask them to reimburse her loss.

Did Revolut do what they ought to in order to recover Ms H's funds?

After Revolut were notified of the scam, they attempted to retrieve any remaining funds from the beneficiary accounts. They did so in a suitably timely manner, but unfortunately were unable to retrieve any funds. I'm unable to consider the losses in cryptocurrency, as this is not a regulated activity.

My final decision

For the reasons outlined above, I am unable to uphold this complaint and require Revolut Ltd to do nothing further.

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

Katherine Jones
Ombudsman