DRN-5422658

The complaint

Mr A complains that Revolut Limited didn't do enough to protect h from the financial harm caused by a job scam, or to help him recover the money once he'd reported the scam to it.

What happened

The detailed background to this complaint is well known to both parties. So, I'll only provide a brief overview of some of the key events here.

On 4 January 2024, Mr A received a WhatsApp message about a job opportunity from someone I'll refer to as "the scammer". When Mr A expressed an interest, the scammer told him about an opportunity to earn money by reviewing films on a platform which I'll refer to as "R". The job required him to pay for tasks using cryptocurrency and at the end of a set of 20-30 'tasks', he would earn commission, and the original deposits would be returned. The scammer told him that a profit was guaranteed.

The scammer told Mr A to open accounts with Revolut and a cryptocurrency exchange which I'll refer to as K. The scammer told him to first purchase cryptocurrency and then load it onto an online wallet. Between 1 February 2024 and 14 February 2024 Mr A made one debit card payment to a cryptocurrency exchange and 38 transfers to individuals from R totalling £6,625.77.

In addition to the transactions from Revolut, Mr A also made three transfers from W totalling £3,502, nine transfers from Bank H to K totalling £64,278, two transfers from Bank N totalling £7,749, and two transfers from Bank L totalling £19,000.

Having completed the necessary tasks, Mr A asked the scammer if he could make a withdrawal and was told he'd need to make further payments. He realised he'd been scammed on 13 April 2024 when he ran out of money, he lost contact with the scammer and was unable to access his funds.

Mr A complained to Revolut with the assistance of a representative who said Mr A had never purchased cryptocurrency or made such frequent payments to new and different recipients, and it should have been on the lookout for job/task-based scams. They said it should have intervened on 11 February 2024 when he made a payment for £195 because it was out of character and had it contacted Mr A and asked probing questions, it would have identified that he was falling victim to a scam because he was contacted unexpectedly on WhatsApp, he was asked to open a cryptocurrency account, added to a WhatsApp group with others doing the same job, and required to make deposits to unlock premium tasks to earn commission. In addition, the payments were getting larger and more frequent, he was encouraged to take out loans or borrow from family or friends, he was put under pressure to make payments, he didn't have an employment contract, and he was told he could double his investment.

The representative explained that Mr A believed the opportunity was genuine because he had checked R's website and chatted, he thought website seemed authentic, there had been a lot of media coverage regarding the move to remote work, and he was added to a WhatsApp group with other employees/freelancers.

But Revolut refused to refund any of the money Mr A had lost. It said it launched the procedure to freeze and retrieve the funds from the fraudulent beneficiary account, but no funds remained.

It said Mr A created the account on 31 January 2024 declaring the account opening purpose as ‘scheduling payments’ and ‘crypto’, and the transactions were in line with the stated purposes, so transferring funds to cryptocurrency related beneficiaries was expected. It also said it provided sufficient warnings, but Mr A chose to continue with the transfers and the newly created account had no spending history to compare the payments with.

It explained that Mr A was shown a new beneficiary warnings for each payment to a new beneficiary and when it intervened on 3 February 2024, he was asked to provide a payment purpose, if someone was pressuring him to perform the payment, and if he’d been called unexpectedly. He was then shown educational screens regarding the type of potential scam, before being routed to a live chat with one of its specialists where he was asked if he was buying cryptocurrency. Further transactions were declined on the same day, and on 9 February 2024, Mr A was shown a fraud warning which he didn’t engage with, so the transaction was declined.

Revolut further commented that Mr A agreed to make payments in cryptocurrency to unknown individuals without doing due diligence, and if he’d done some research, he’d have seen R had no online presence. It also said he was grossly negligent because he went ahead with the payments having received strong warnings in the app that there was a high risk that he was being scammed. And he gave misleading responses to the questions he was asked when it intervened.

Our investigator didn’t think the complaint should be upheld. He noted that when Revolut intervened on 3 February 2024, Mr A said he was topping up his other account and no one was directing him to make the payment, but he didn’t respond when he was asked if he was buying cryptocurrency and so the payment was declined. Responding to further questions on 3 February 2024, Mr A said he was paying a family member or friend before explaining that he was ‘paying back for something they purchased on my behalf’. And on 14 February 2024, he said he was paying a friend and that he wasn’t being guided.

Our investigator concluded that Mr A had misled Revolut, that the interventions were proportionate to the risk associated with the payments, and there was nothing else it could have done to prevent his loss.

Finally, he explained a chargeback claim wouldn’t have been successful because Mr A paid a legitimate cryptocurrency exchange and he would have received a service. And there was no prospect of a successful recovery because he transferred funds to third parties as part of legitimate P2P cryptocurrency purchases and received the cryptocurrency he paid for. And he didn’t think he was entitled to any compensation.

Mr A has asked for his complaint to be reviewed by an Ombudsman. His representative has argued that there was a high risk that Mr A was buying cryptocurrency through P2P sellers, especially as he’d previously made payments to cryptocurrency merchants, and the activity included numerous transactions in rapid succession, increasing in amount, which is typical for a job/task scam. They’ve argued that Revolut should be on the lookout for signs that a customer might be purchasing cryptocurrency through P2P payments explaining that they would typically be sending funds to numerous new payees. They have also questioned why

Revolut allowed him to make further payments after he'd failed to respond to its question about cryptocurrency.

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.

Having done so, I've reached the same conclusion as our investigator. And for largely the same reasons. I'm sorry to hear that Mr A has been the victim of a cruel scam. I know he feels strongly about this complaint, and this will come as a disappointment to him, so I'll explain why.

I'm satisfied Mr A 'authorised' the payments for the purposes of the of the Payment Services Regulations 2017 ('the Regulations'), in force at the time. So, although he didn't intend the money to go to scammers, under the Regulations, and under the terms and conditions of his bank account, Mr A is presumed liable for the loss in the first instance.

There's no dispute that this was a scam, but although Mr A didn't intend his money to go to scammers, he did authorise the disputed payments. Revolut is expected to process payments and withdrawals that a customer authorises it to make, but where the customer has been the victim of a scam, it may sometimes be fair and reasonable for the bank to reimburse them even though they authorised the payment.

Prevention

Revolut was an emoney/money remittance provider and at the time these events took place it wasn't subject to all of the same rules, regulations and best practice that applied to banks and building societies. But it was subject to the FCA's Principles for Businesses and BCOBS 2 and owed a duty of care to protect its customers against the risk of fraud and scams so far as reasonably possible.

I've thought about whether Revolut could have done more to prevent the scam from occurring altogether. Buying cryptocurrency is a legitimate activity and from the evidence I've seen, the payments were made to a genuine cryptocurrency exchange company. However, Revolut ought to fairly and reasonably be alert to fraud and scams and these payments were part of a wider scam, so I need to consider whether it ought to have intervened to warn Mr A when he tried to make the payments. If there are unusual or suspicious payments on an account, I'd expect Revolut to intervene with a view to protecting Mr A from financial harm due to fraud.

The first two payments were for £55 and £135 and so even though the first payment was identifiably for cryptocurrency and the account was newly opened, the values were so low that Revolut didn't need to intervene.

Mr A was forced into a live chat on 3 February 2024 when he tried to make a payment of £400 to the cryptocurrency exchange. During the chat, he said he wasn't being guided, but he failed to respond when he was asked if he was buying cryptocurrency, and the payment wasn't processed. Revolut knew Mr A was paying a cryptocurrency exchange, and having intervened, we would normally expect it to have shown him a written warning that was tailored to cryptocurrency investment scams. But he didn't fully engage with the process and so it didn't have the opportunity to do so. And even if it had done, I don't think it would have made any difference because a warning about cryptocurrency investment scams wasn't relevant because he wasn't investing, and he didn't act on the warnings he was given from his other banks.

Mr A joined the live chat a second time in respect of an attempt to transfer £765 to an individual. During the exchange he said he wanted the payment to be cancelled, he wasn't sending funds to a safe account, and he wasn't being pressured to make the payment. The payment was eventually declined. I've thought about whether Revolut did enough here and as the beneficiary wasn't a cryptocurrency merchant, I wouldn't expect it to have done anything further, especially as he didn't disclose anything to suggest he was being scammed.

The third intervention took place on 14 February 2024 when Mr A tried to make a transfer for £151.50. During the exchange he said he was paying a friend, he wasn't being guided, and he opened the account to pay friends and family. He then asked for the payment to be cancelled.

He then made multiple low value payments to numerous different beneficiaries without any intervention from Revolut. As there would have been no indication that Mr A was buying cryptocurrency, I don't think these payments were suspicious. I note that on 9 February 2024, 10 February 2024, 11 February 2024 and 12 February 2024, he made multiple payments, sometimes in quick succession, but the payments were low value and as Revolut had already intervened before similar types of payments on 3 February 2024, I don't think it's unreasonable that it didn't do so again.

Mr A's representative has argued that Revolut ought to have detected that the pattern of payments was indicative of a job scam, but I agree with our investigator that there would have been nothing to indicate that he was making a P2P cryptocurrency purchase, or that the payments were linked to each other or the earlier payment to the cryptocurrency exchange, so I don't think it ought reasonably to have suspected that the payments might be related to a job scam.

The representative has also argued that Revolut shouldn't have allowed Mr A to make further payments after he failed to respond to its question about cryptocurrency, but I'm satisfied the payment to which the question related was cancelled, and in the absence of real concerns that Mr A was being scammed, I wouldn't expect it to have placed further restrictions on the account.

Overall, I'm satisfied that Revolut did enough and, even if it had done more, I don't think it would have made a difference because. Mr A was dishonest with some of his other banks when they tried to intervene, and he continued to make payments to the scam after having been given warnings from W and Bank N. So, I don't think Revolut missed an opportunity to prevent the scam.

Recovery

I've thought about whether Revolut could have done more to recover the card payments when he reported the scam to it. Chargeback is a voluntary scheme run by Visa whereby it will ultimately arbitrate on a dispute between the merchant and customer if it cannot be resolved between them after two 'presentments'. Such arbitration is subject to the rules of the scheme — so there are limited grounds on which a chargeback can succeed. Our role in such cases is not to second-guess Visa's arbitration decision or scheme rules, but to determine whether the regulated card issuer (i.e. Revolut) acted fairly and reasonably when presenting (or choosing not to present) a chargeback on behalf of its cardholder (Mr A).

Mr A's own testimony supports that he used cryptocurrency exchanges to facilitate the transfers. It's only possible to make a chargeback claim to the merchant that received the disputed payments. It's most likely that the cryptocurrency exchanges would have been able to evidence they'd done what was asked of them. That is, in exchange for Mr A's payments, they converted and sent an amount of cryptocurrency to the wallet address provided. So, any chargeback was destined fail, therefore I'm satisfied that Revolut's decision not to raise a chargeback request against either of the cryptocurrency exchange companies was fair.

And I don't think there was a realistic prospect of a successful recovery of the P2P payments because Mr A received the cryptocurrency he paid for, and he paid a cryptocurrency account in his own name and moved the funds onwards from there.

Compensation

The main cause for the upset was the scammer who persuaded Mr A to part with his funds. I haven't found any errors or delays to Revolut's investigation, so I don't think he is entitled to any compensation.

Overall, I'm satisfied Revolut took the correct steps prior to the funds being released – as well as the steps it took after being notified of the potential fraud. I'm sorry to hear Mr A has lost money and the effect this has had on him. But for the reasons I've explained, I don't think Revolut is to blame for this and so I can't fairly tell it to do anything further to resolve this complaint.

My final decision

For the reasons I've outlined above, my final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 12 September 2025.

Carolyn Bonnell
Ombudsman