

The complaint

Mr P is being represented by solicitors. He's complaining about Revolut Ltd because it declined to refund money he lost as a result of fraud.

What happened

Sadly, Mr P fell victim to a cruel job scam. At a time when he was actively looking for work, he was approached online by a scammer offering remote work. This required him to complete sets of tasks, which he had to pay to access using cryptocurrency and for which he expected to be paid on completion.

Mr P already held an account with Revolut and in October 2024 he made the following transfers to a cryptocurrency exchange after which the currency purchased was transferred to the scammers.

No.	Date	Amount £
1	6 Oct	5
2	7 Oct	100
3	8 Oct	80
4	8 Oct	40
5	9 Oct	150
6	9 Oct	980
7	9 Oct	50
8	9 Oct	3,000
9	9 Oct	200
10	9 Oct	150
11	9 Oct	8,300
12	9 Oct	390

Mr P did receive two payments back in respect of this work on 6 and 8 October but nothing further after that. He realised it was a scam when he tried to withdraw further funds and wasn't able to.

Our investigator recommend the complaint be partly upheld. He felt Revolut should have intervened to question Mr P about the payments before payment 8 was allowed to leave his account and that the scam would have been uncovered with further losses prevented if it had.

Revolut didn't accept the investigator's assessment. It's made the following key points in defence of this complaint:

- These payments weren't unusual for this type of account and didn't cause any particular concern.
- The payments went to an account in Mr P's own name, meaning the fraud didn't occur on its platform.
- Mr P transferred these funds to Revolut from an external bank account and we should consider any possible interventions by that bank.
- Mr P was negligent and didn't carry out adequate due diligence.

The complaint has now been referred to me for review.

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 overall conclusions as the investigator, and for broadly the same reasons. In deciding what's fair and reasonable, I'm 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. I haven't necessarily commented on every single point raised but concentrated instead on the issues I believe are central to the outcome of the complaint. This is consistent with our established role as an informal alternative to the courts.

There's no dispute that Mr P authorised the above payments. In broad terms, the starting position at law is that an Electronic Money Institution (EMI) such as Revolut is expected to process payments a customer authorises it to make, in accordance with the Payment Services Regulations and the terms and conditions of their account. In this context, '*authorised*' essentially means the customer gave the business an instruction to make a payment from their account. In other words, they knew that money was leaving their account, irrespective of where that money actually went.

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 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. 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 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.

Taking these points into account, I need to decide whether Revolut acted fairly and reasonably in its dealings with Mr P.

Before going any further, I am aware that Mr P didn't provide an accurate description of what happened when he reported the scam on 10 October. But he apologised for this two days later, saying he was panicking at the time, and went on to outline the job scam I've described. The available evidence, including various communications with the scammer, confirm this is what took place.

Should Revolut have recognised that Mr P was at risk of financial harm from fraud?

One of the key features of a Revolut account is that it facilitates payments that often involve large amounts and/or the purchase of cryptocurrency. I must take into account that many similar payment instructions it receives will be entirely legitimate.

Having considered what Revolut knew about payments 1 to 7 at the time, particularly since the amounts involved were relatively low, I'm not persuaded it ought to have been particularly concerned and I can't say it was at fault for processing them in line with Mr P's instructions.

Payment 8, however, was for a much larger sum and was Mr P's fourth payment to cryptocurrency totalling over £4,000 on the same day. And it was his eighth payment in only three days, a pattern consistent with many known types of scam. Losses to cryptocurrency fraud reached record levels in 2022 and, by the end of that year, many high street banks had placed restrictions or additional friction on cryptocurrency purchases owing to the elevated fraud risk. So, by the time these payments took place, I think Revolut should have recognised that payments to cryptocurrency carried a higher risk of being associated with fraud. It's for these reasons that I think Revolut should have intervened before payment 8 left Mr P's account.

What did Revolut do to warn Mr P?

Revolut has confirmed that none of these payments were flagged as suspicious by its systems meaning no intervention was attempted.

What kind of warning should Revolut have provided?

Having thought carefully about the risk this payment presented, I believe a proportionate response to that risk would have been for Revolut to ask Mr P about the reason for the payment in the app. Job scams were well known by this time and I believe the option to say he was paying money to obtain online work should have been one of those he could choose from. After reviewing the available evidence, including Mr P's chats with the scammer, I've seen nothing to suggest he was coached to hide the payment purpose from Revolut or any other reason to think he wouldn't have disclosed this if asked.

Once Revolut had established the reason for the payment, it should have identified that this was likely to be a job scam and provided Mr P with a tailored written warning setting out some of the common features of this type of scam. These features could have included, for example, that victims are often approached online, asked to pay in cryptocurrency to obtain access to sets of tasks, promised extremely high returns for the work they're being asked to do, not required to attend an interview or given any contract of employment, and consistently asked for more and more money to continue accessing tasks.

If Revolut had intervened as I've described, would that have prevented the losses Mr P suffered from payment 8?

If Revolut had provided a warning setting out common features of job scams, I think it's likely Mr P would have recognised many of those features in his own situation and it would have resonated with him. On balance, I think it's most likely that his eyes would have been opened to the scam and he'd have decided not to go ahead with the payment.

I think it follows that if the scam had been uncovered at the point of payment 8, payments 9 to 12 would also have been prevented.

What about the actions of Mr P's bank?

This was a multi-stage fraud that saw Mr P move money from his bank to Revolut and then eventually onto the scammer. This complaint is about Revolut and it's not appropriate for me to comment here on whether or not the bank should have identified any fraud risk and whether it reacted proportionately. But to obtain a full picture of what took place, we have contacted the bank to establish if it attempted any kind of intervention before transferring his money to Revolut.

In response, Mr P's bank has confirmed it didn't provide anything beyond a very generic scam warning that emphasised the bank would never make ask him to make a payment. It didn't include any reference to job scams. The bank also confirmed that Mr P did make a claim against the bank, but this was rejected and I understand he hasn't pursued it further.

On balance, I don't think there was any intervention by Mr P's bank that should particularly have alerted him to the fact he was speaking to a scammer or that changes my views about how Revolut should have dealt with this situation or how Mr P might have reacted.

Is it fair and reasonable for Revolut to be held responsible for Mr P's loss?

I have taken into account that Mr P remained in control of his money after making the payments from Revolut. It wasn't lost until he took further steps. But Revolut should still have recognised he was at risk of financial harm from fraud, made further enquiries about payment 8 and ultimately prevented his loss from that point. I think Revolut can fairly be held responsible for any loss in these circumstances.

While I have considered all the facts of the case, including the role of other financial institutions involved, Mr P has chosen not to pursue a complaint further about any other firm and I can't compel him to do so. And, I don't think it would be fair to reduce his compensation because he's only complained about one firm, as I consider that Revolut should have prevented the loss.

Revolut has addressed an Administrative Court judgment, which was referred to in a decision on a separate complaint. As I haven't referred to or relied on that judgment in reaching my conclusion in relation to the losses for which I consider it fair and reasonable to hold it responsible, I don't intend to comment on it. I note that Revolut says that it hasn't

asked me to analyse how damages would be apportioned in a hypothetical civil action but, rather, it's asking me to consider all of the facts of the case before me when considering what's fair and reasonable, including the role of all the other financial institutions involved. I'm satisfied that's what I've done.

Should Mr P bear any responsibility for his losses?

I've considered the evidence carefully to decide what's fair and reasonable in the circumstances. While I accept Mr P genuinely believed these payments were being made in connection with a legitimate employment opportunity, I'm not persuaded that belief was a reasonable one.

The amounts he was told he was expected to earn in return for the work he was being asked to do appear to have been extremely high and I think Mr P should have questioned whether this was too good to be true. Further, there was no contract of employment and the arrangement was very different to the normal employer-employee relationship. In most circumstances, people expect to be paid by their employer, rather than the other way around.

In the circumstances, I think Mr P should have proceeded only with great caution. If he had carried out any further research, for example online searches, I think he'd have quickly discovered his circumstances were similar to those commonly associated with many job scams. Overall, I think it's fair and reasonable for Revolut to make a 50% deduction from the redress payable.

Recovery of funds

I've also looked at whether Revolut could or should have done more to try and recover Mr P's losses once it was aware that the payments were the result of fraud.

Mr P transferred funds to a legitimate cryptocurrency account in his own name. From there, he purchased cryptocurrency and moved it to a wallet address of his choosing (albeit on the scammers' instructions). Revolut could only try and recover the money from Mr P's own account and it appears it had already been moved on - it's a common feature of this type of scam that the fraudster will move money very quickly to other accounts once received to frustrate any attempted recovery. But anything that might have been left would still have been available to him to access.

With these points in mind, I don't think anything that Revolut could have done differently would likely have led to these payments being successfully recovered.

In conclusion

For the reasons I've explained, I don't think Revolut acted fairly and reasonably in its dealings with Mr P and I'm upholding this complaint in part. While I don't think it acted incorrectly in processing payments 1 to 7 in line with his instructions, if it had carried out an appropriate intervention before payment 8 debited his account, I'm satisfied payments 8 to 12 would have been prevented.

Putting things right

The principal aim of any award I make must be to return Mr P to the position he'd now be in but for the errors or inappropriate actions of Revolut, while allowing for any responsibility he should reasonably bear. If Revolut had carried out an appropriate intervention as I've described, I'm satisfied the scam would have been stopped and Mr P would have retained

the money that was lost from payment 8 onwards. As outlined above, I've applied a 50% deduction to the amounts to be refunded in recognition of Mr P's own contribution to the loss.

To put things right, Revolut should pay Mr P compensation of A + B, where:

- A = a refund of 50% of each of payments 8 to 12 outlined above; and
- B = simple interest on each amount being refunded in A at 8% per year from the date of the corresponding payment to the date compensation is paid.

Interest is intended to compensate Mr P for the period he was unable to use this money. HM Revenue & Customs (HMRC) requires Revolut to deduct tax from any interest. It must provide Mr P with a certificate showing how much tax has been deducted if he asks for one.

I'm satisfied this represents a fair and reasonable settlement of this complaint.

My final decision

My final decision is that I partly uphold this complaint. Subject to Mr P's acceptance, Revolut Ltd should now put things right as I've set out above.

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

James Biles
Ombudsman