

The complaint

Mr K complains that Revolut Ltd did not reimburse a series of payments he lost to a scam.

What happened

Both parties are aware of the circumstances of the complaint, so I won't repeat them again in detail here. In summary, Mr K unfortunately fell victim to a task-based job scam. In which he thought he was working for a company, and that the cryptocurrency payments he was making to the job platform were for the job, when they were actually going to a scammer.

Mr K opened a Revolut account and began making payments towards the scam. These were either peer to peer cryptocurrency purchases or payments directly to his cryptocurrency wallets:

Date	Amount
03-May-23	£3,993.60
03-May-23	£3,984.00
03-May-23	£796.80
10-May-23	£6,789.64
16-May-23	£300.00
18-May-23	£550.00
23-May-23	£2,105.00
23-May-23	£2,880.63
29-May-23	£1,000.00
30-May-23	£555.00
07-Jun-23	£15.00
08-Jun-23	£50.00
08-Jun-23	£100.00

When he realised he had been the victim of a scam, he raised a scam claim with Revolut, who explained they could not complete their investigation until they had some more information. But they did raise a chargeback claim for Mr K. Following that, Mr K received a total refund of £115, but Revolut refused to pay any more.

Mr K referred the complaint to our service and our Investigator looked into it. They felt that Revolut should have intervened in the payment of £6,789.64 as they thought this was going to a known cryptocurrency provider. They thought Revolut should refund 50% of the loss from the fourth payment onwards, as they thought Mr K should share responsibility for the loss.

Mr K agreed to the recommendation, but Revolut did not. They provided a number of reasons for this, including that Mr K purchased cryptocurrency with the funds which he had possession of until he forwarded them onto the scammer, so Revolut did not think they were the point of loss. The case was passed to me, and I issued a provisional decision not upholding the complaint, which read as follows:

It's not in dispute here that Mr K authorised the payments in question as he believed they

were part of a legitimate job opportunity. So, while I recognise that he didn't intend the money to go to scammers, the starting position in law is that Revolut was obliged to follow Mr K's instruction and process the payments. Because of this, he is not automatically entitled to a refund.

But, taking into account relevant law, regulators rules and guidance, relevant codes of practice and what I consider to have been good industry practice at the time, I consider it fair and reasonable in May 2023 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;
- 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 including in relation to card payments);
- have been mindful of – among other things – common scam scenarios, how the fraudulent practices are evolving (including for example the common use of multi-stage fraud by scammers, including the use of payments to cryptocurrency accounts as a step to defraud consumers) and the different risks these can present to consumers, when deciding whether to intervene.

While I think Revolut ought to have recognised that Mr K was at a heightened risk of financial harm from fraud when making these payments, I currently don't think any proportionate intervention by Revolut would have prevented Mr K's loss. I'll explain why.

Mr K made the first two payments towards the scam within a few hours of each other, and these were to the same new beneficiary. While the payee was not an identifiable cryptocurrency provider, I still think there was a level of risk attached to these payments and I think Revolut needed to intervene in them. I can see that Revolut did intervene and paused the payments prior to processing them in order to ask Mr K questions about the payments. Each time, Mr K selected the purpose of the payment as 'buying goods/services' and Revolut therefore provided relevant scam warnings for that selection.

At that time, there was no option for Mr K to select that he was making a payment in relation to his job, and I think this was reasonable. Job scams were becoming more prevalent at that time but not to the point that I think Revolut needed to have the option for Mr K to select he was making a payment for a job. With this in mind, I think Revolut intervened as I would have expected for the risk level of the payments, and they provided warnings relevant to the option Mr K selected.

On 10 May 2023, Mr K made a larger payment of £6,789.64 to a new payee. While this was identifiably to a trading company, as they provide other services I don't think it was clear to Revolut that Mr K was purchasing cryptocurrency with the funds. So, I don't think Revolut needed to provide an automated cryptocurrency scam warning. But I do think they should have intervened and asked Mr K what the purpose of the payment was, which they did. Again, Mr K selected 'buying goods/services' even though there was the option to select cryptocurrency as the purpose of the payment.

I've considered the chats between Mr K and the scammer, to understand further why he did not select the more appropriate payment purpose from the drop-down list. I can see on multiple occasions that Mr K was warned by the scammer not to mention that he was

purchasing cryptocurrency, and instead to say he was just purchasing something online. On 3 May, when Mr K made the initial payments from his Revolut account to the scam, he asked the scammer which option to select from the drop-down list and they guided him to choose the top one, which was 'buying goods/services'. I therefore think Mr K was being coached on what to say to Revolut when they intervened in the payments. And it would have been difficult for Revolut to provide any appropriate warnings as a result of this.

Having carefully reviewed everything, I currently do not think Revolut needs to reimburse Mr K in the circumstances. I think Revolut did intervene on the payments that carried a higher level of risk, however Mr K did not select the appropriate payment purpose on the guidance of the scammer.

Once Revolut were made aware of the scam and Mr K raised a chargeback claim on some of the card payments, I can see they attempted to process this. While two chargebacks were successful, a £15 and £100 payment were returned, the rest were unsuccessful. I think this was reasonable as Mr K did purchase genuine cryptocurrency from a genuine cryptocurrency provider, so would not have had chargeback rights for the majority of the payments. I therefore think Revolut acted quickly to try and recover the funds, but were only partially successful in doing so.

Revolut did not respond to my provisional decision.

Mr K's representative responded and did not agree with my findings. They said, in summary:

- Mr K was on medication that affected his decision making, and Revolut did not adequately consider these vulnerabilities and his ability to protect himself from the scam.
- While Mr K was coached by the scammer, this is a common tactic and Revolut should have had systems in place to detect this.
- Revolut could have provided a broader warning that was relevant to job scams, and Mr K could not have picked a more reasonable payment purpose in the circumstances.
- Revolut should have pursued all avenues to recover the lost funds.

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 will review the comments made by Mr K's representative in turn. Firstly, I cannot see that Mr K mentioned his medical health issues and therefore vulnerabilities to Revolut. With this in mind, it is difficult to agree that Revolut could have treated him differently in light of these vulnerabilities when they were not aware of them. Because of this, I do not agree that Revolut has made an error in connection to Mr K's vulnerabilities.

I acknowledge that scammers will sometimes coach consumers on what to say to circumvent security on their account. And I agree that where an account provider has concerns about an answer provided by a consumer, it should take additional steps to satisfy themselves a consumer is not being coached. However, in this case, I do not think it would have been clear based on Mr K's selection on the drop-down list that he was being coached on what to choose.

I also appreciate that Mr K was unable at that time to select the payment purpose as being connected to his job. But I also have to consider that he was being guided by the scammer on what specifically to select. On balance, I think it's more likely that even if he had the

option to select that the payment was connected to his job, he still would have chosen '*buying goods/services*'. He had been told by the scammer to not mention he was buying cryptocurrency and just say he was buying something else online, which Mr K appeared to agree to. I don't want to take away from the fact that Mr K was manipulated by an experienced scammer, so I understand why he followed their instructions. But it means I think it would have been very difficult for Revolut to be able to uncover the scam that he fell victim to.

I can see that some of the chargeback claims were successful, but others either failed or were not fully pursued by Revolut. I explained in my provisional decision why I agreed Revolut did not have chargeback rights for the majority of the payments, so I did not think they made an error when they did not pursue these further.

I acknowledge that Mr K also made some transfers in relation to the scam, and he has said these were to purchase cryptocurrency, which he then forwarded onto the scammer's wallet. With this in mind, by the time Mr K reported the scam to Revolut, these funds would not have been available to recover as they would already have been in the scammer's wallet. I therefore do not think Revolut could have taken additional steps to recover Mr K's funds when they were made aware of the scam.

I understand that this will be very disappointing for Mr K, and I recognise that he has been the victim of a cruel and manipulative scam. But I do not consider that it would be fair to hold Revolut responsible for his loss, so I won't be asking it to refund any of that loss to him.

My final decision

I do not uphold Mr K's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 6 June 2025.

Rebecca Norris

Ombudsman