

The complaint

Mr G complains that Revolut Ltd ('Revolut') won't refund the money he lost after falling victim to a scam.

What happened

In June 2023, Mr G was contacted via a messaging app from someone who said they worked for a recruitment agency and had a job available if Mr G was interested. This was a job scam, and the contact was using the details of a genuine recruitment firm.

The job would be provided by a company, who I'll refer to as M, and would involve Mr G running "audits" which would boost their downloads, increase their popularity, and ultimately increase their sales. Mr G would have to complete 50 tasks to earn commission and would have to top up his account with M, to complete the tasks.

Mr G was told the top up had to be in USDT, so he had to open an account with B (a cryptocurrency exchange) and an account with Revolut.

Mr G made the following payments from his Revolut account as part of the scam.

Date	Pmt	Details of transaction	Amount
11.6.2023		Account opened	
11.6.2023	1	Card payment to B – a cryptocurrency exchange	£30
12.6.2023	2	Card payment to B – a cryptocurrency exchange	£110
14.6.2023	3	Card payment to B – a cryptocurrency exchange	£200
14.6.2023	4	Card payment to B – a cryptocurrency exchange	£290
15.6.2023	5	Card payment to B – a cryptocurrency exchange	£250
15.6.2023	6	Card payment to B – a cryptocurrency exchange	£1,300
15.6.2023	7	Card payment to B – a cryptocurrency exchange	£15
15.6.2023	8	Card payment to B – a cryptocurrency exchange	£15
15.6.2023	9	Card payment to B – a cryptocurrency exchange	£15
16.6.2023	10	Card payment to B – a cryptocurrency exchange	£3,015
16.6.2023	11	Card payment to B – a cryptocurrency exchange	£15
16.6.2023	12	Card payment to B – a cryptocurrency exchange	£45
16.6.2023	13	Card payment to B – a cryptocurrency exchange	£3,250

Mr G became aware it was a scam when he was unable to withdraw the commission from his account with M. He reported the scam to Revolut in July 2023, using a professional representative.

Revolut investigated Mr G's fraud claim but declined to refund him, saying he had authorised the card payments.

Unhappy with Revolut's response, Mr G brought a complaint to our service.

An investigator looked into Mr G's complaint and recommended that Revolut refund from payment 10 onwards. The investigator felt Revolut should've intervened when a top up of £3,000 Mr G was trying to add to his Revolut account failed. If Revolut had intervened and asked questions, the investigator believed the scam would've been uncovered. However, the investigator reduced the refund by 50%, saying that Mr G should've been concerned about being asked to pay for employment and being offered a job out of the blue.

Mr G accepted the investigator's opinion. Revolut disagreed and raised the following points:

- These are self-to-self payments, so the funds went to an account owned by Mr G, and the loss didn't occur on Mr G's Revolut account.
- EMI accounts are not used in the same way a bank account is, meaning the payments weren't unusual or out of character.
- It's possible there was intervention by other banks, which should be considered, especially if Mr G ignored warnings provided by them.
- We should exercise our power under DISP 3.5.2 to tell Mr G it could be appropriate to make a complaint against another respondent if necessary.

Revolut asked for an ombudsman to review the case.

Having reviewed the case, I've reached the same overall outcome as the investigator but with a different redress. So, I issued a provisional decision explaining why and giving both parties a chance to provide any further evidence they wanted to be considered before I issued a final decision.

My provisional decision

In my provisional decision I said:

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 Mr G modified the starting position described in *Philipp*, by – among other things – 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*” (section 20).

So Revolut was required by the terms of its contract to refuse payments in certain circumstances, including to comply with regulatory requirements such as the Financial Conduct Authority's Principle for Businesses 6, which required financial services firms to pay due regard to the interests of their customers and treat them fairly. I am satisfied that paying due regard to the interests of its customers and treating them fairly meant Revolut should have been on the look-out for the possibility of fraud and refused card payments in some circumstances to carry out further checks.

In practice Revolut did in some instances refuse or delay payments at the time where it suspected its customer might be at risk of falling victim to a scam.

I must also take into account that the basis on which I am required to decide complaints is broader than the simple application of contractual terms and the regulatory requirements referenced in those contractual terms. I must determine the complaint by reference to what is, in my opinion, fair and reasonable in all the circumstances of the case (DISP 3.6.1R) taking into account the considerations set out at DISP 3.6.4R.

Whilst the relevant regulations and law (including the law of contract) are both things I must take into account in deciding this complaint, I'm also obliged to take into account regulator's guidance and standards, relevant codes of practice and, where appropriate, what I consider to have been good industry practice at the relevant time: see DISP 3.6.4R. So, in addition to taking into account the legal position created by Revolut's standard contractual terms, I also must have regard to these other matters in reaching my decision.

Looking at what is fair and reasonable on the basis set out at DISP 3.6.4R, I consider that Revolut should in June 2023 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.

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 EMI's like Revolut did in fact seek to take those steps, often by:

- using algorithms to identify transactions presenting an increased risk of fraud;¹
- 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.

For example, it is my understanding that in June 2023, Revolut, whereby if it identified a scam risk associated with a card payment through its automated systems, could (and

¹ 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/

sometimes did) initially decline to make that payment, in order to ask some additional questions (for example through its in-app chat).

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)².
- 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 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).
- Revolut should also have been aware of the increase in multi-stage fraud, particularly involving cryptocurrency when considering the scams that its customers might become victim to. Multi-stage fraud involves money passing through more than one account under the consumer’s control before being sent to a fraudster. Our service has seen a significant increase in this type of fraud over the past few years – particularly where the immediate destination of funds is a cryptocurrency wallet held in the consumer’s own name. And, increasingly, we have seen the use of an EMI (like Revolut) as an intermediate step between a high street bank account and cryptocurrency wallet.
- The main card networks, Visa and Mastercard, don’t allow for a delay between receipt of a payment instruction and its acceptance: the card issuer has to choose

² Since 31 July 2023 under the FCA’s new Consumer Duty package of measures, banks and other regulated firms must act to deliver good outcomes for customers (Principle 12), but the circumstances of this complaint pre-date the Consumer Duty and so it does not apply.

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

straight away whether to accept or refuse the payment. They also place certain restrictions on their card issuers' right to decline payment instructions. The essential effect of these restrictions is to prevent indiscriminate refusal of whole classes of transaction, such as by location. The network rules did not, however, prevent card issuers from declining particular payment instructions from a customer, based on a perceived risk of fraud that arose from that customer's pattern of usage. So it was open to Revolut to decline card payments where it suspected fraud, as indeed Revolut does in practice (see above).

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 June 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); and
- 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.

Whilst I am required to take into account the matters set out at DISP 3.6.4R when deciding what is fair and reasonable, I am satisfied that to comply with the regulatory requirements that were in place in June 2023, Revolut should in any event have taken these steps.

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

By June 2023, Revolut out to have recognised that cryptocurrency related transactions carried an increased risk of the likelihood of the transaction being related to a fraud or scam.

So, when Mr G made payment 10 in June 2023, I'm satisfied that Revolut should've identified a potential risk of financial harm. I say this taking into account the size of the payment and that it was identifiably related to cryptocurrency. Also, an attempt to top up the account, prior to this payment, had failed.

I also think that Revolut should've intervened again when Mr G made payment 13. I say this as this was the fourth payment that Mr G had made in quick succession. Also, importantly, Revolut had stopped a payment immediately prior to payment 13 because they had concerns. So, I'm persuaded further intervention should've happened when payment 13 was made.

What did Revolut do to warn Mr G?

I haven't seen any evidence that Revolut provided any warnings to Mr G.

What kind of warning should Revolut have provided?

When payment 10 was made, I would've expected Revolut to give Mr G an on-screen cryptocurrency investment scam warning. I say it should be an investment scam warning as these were the most common type of cryptocurrency scam in June 2023, and I'm not satisfied that human intervention was warranted at this point.

The on-screen warning should've set out the key features of cryptocurrency investment scams including: being contacted out of the blue, being offered returns that were too good to be true, capital being guaranteed and difficulty in withdrawing profits.

However, when payment 13 was made, I think Revolut's intervention should've gone one step further and they should've referred Mr G to their in-app chat to talk to a specialist about the payments he was making. I would've expected the specialist to ask Mr G open questions about the payment in order to identify the type of scam Mr G may be at risk of.

If Revolut had asked Mr G for the purpose of the payment, I think it's most likely that he would've told them that he was paying for work. I haven't seen anything that suggests Mr G was coached by the scammer or told what to say if his bank or EMI intervened. In response to Mr G telling Revolut that he was paying for work, I would've expected Revolut to ask Mr G how he found the job and what he knew about the company he was working for.

I think Mr G's answers would've identified that Mr G had been contacted out of the blue with a job offer and believed he was working for M, but all of the work had been arranged over social media apps. All of these are tell-tale signs of a job scam, and in response Revolut should've explained the key features of job scams to Mr G and provided a tailored warning.

If Revolut had provided warnings of the type described, would that have prevented the losses Mr G suffered?

I'm not satisfied that an on-screen warning about cryptocurrency investment scams would've prevented Mr G from making payment 10. This is because the key features of an investment scam wouldn't have resonated with Mr G, as he had fallen victim to a job scam. So, I'm not satisfied that Mr G's loss would've been prevented at payment 10 had an appropriate on-screen warning been provided.

But, if Revolut had explained the key features of a job scam to Mr G when he made payment 13 and given him a job scam warning, I'm satisfied that this would've uncovered the scam and prevented Mr G from making any further payments.

Revolut have referred to intervention by Mr G's bank, which is how he funded the payments made from his Revolut account. From what I've seen that bank intervened prior to payment 13, however they only asked a few questions and didn't identify that Mr G might be at risk of a job scam.

As Mr G was moving money to an account in his own name, the bank gave Mr G scam warnings related to safe account scams and impersonation scams, which weren't relevant to a job scam and wouldn't have resonated with Mr G.

It's worth nothing that Mr G answered all of those questions honestly, so I'm persuaded he would've been honest in answering Revolut's questions too.

As I'm satisfied that Revolut could've prevented Mr G's loss on payment 13, they should refund this payment.

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

In reaching my decision about what is fair and reasonable, I have taken into account that Revolut were the intermediary in this payment journey. Mr G transferred funds from an account he held with a bank, to Revolut, then on to a cryptocurrency account held in his name.

But as I've set out in some detail above, I think that Revolut still should have recognised that Mr G might have been at risk of financial harm from fraud when they made payments 10 and 13, and in those circumstances, it should have declined the payments and made further enquiries. If it had taken those steps, I am satisfied it would have prevented the losses Mr G suffered from payment 13. The fact that the money used to fund the scam came from elsewhere and wasn't lost at the point it was transferred to Mr G's own account does not alter that fact and I think Revolut can fairly be held responsible for Mr G's loss in such circumstances. I don't think there is any point of law or principle that says that a complaint should only be considered against either the firm that is the origin of the funds or the point of loss.

I've also considered that Mr G has only complained against Revolut. I accept that it's *possible* that other firms might also have missed the opportunity to intervene or failed to act fairly and reasonably in some other way, and Mr G could instead, or in addition, have sought to complain against those firms. But Mr G has not chosen to do that and ultimately, I cannot compel them to. In those circumstances, I can only make an award against Revolut.

I'm also not persuaded it would be fair to reduce Mr G's compensation in circumstances where: the consumer has only complained about one respondent from which they are entitled to recover their losses in full; has not complained against the other firm (and so is unlikely to recover any amounts apportioned to that firm); and where it is appropriate to hold a business such as Revolut responsible (that could have prevented the loss and is responsible for failing to do so). That isn't, to my mind, wrong in law or irrational but reflects the facts of the case and my view of the fair and reasonable position.

Ultimately, I must consider the complaint that has been referred to me (not those which haven't been or couldn't be referred to me) and for the reasons I have set out above, I am satisfied that it would be fair to hold Revolut responsible for Mr G's loss from payment 13 (subject to a deduction for consumer's own contribution which I will consider below).

Should Mr G bear any responsibility for his losses?

In considering this point, 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. Having carefully considered the circumstances, I'm satisfied that it's fair for Mr G to share responsibility for his loss with Revolut on payment 13.

Mr G was approached via a social media app about a job. This isn't a usual contact method for a genuine employer to use. The contact said they worked for M, a genuine recruitment firm, but I haven't seen anything that supported this claim.

Mr G wasn't given an employment contract, which I would expect from a genuine recruitment company, and all of the communication was carried out over a messaging app. I also think a reasonable person would've been concerned based on the wages and commission Mr G was promised for the low level work that was required to be completed. And, I don't think it's usual for an employee to have to make payments in cryptocurrency as part of their work.

So, I'm persuaded that a reasonable person would've been concerned about the legitimacy of the offer and would've completed more checks before making any payments. If Mr G had contacted the genuine recruitment company to see if the contact worked for them, the scam would've been uncovered.

On that basis, I'm satisfied that it's fair for Revolut to refund 50% of payment 13. As Mr G has been deprived of the use of these funds, Revolut should pay simple interest of 8% on the refund, calculated from the date of the payment until the date of settlement.

My provisional decision was that I intended to uphold this complaint against Revolut Ltd.

Responses to my provisional decision

Mr G and his representatives responded and disagreed with my provisional decision. They've made the following points:

- If payment 10 should've triggered intervention, then why does the award not reflect this.
- Mr G was the victim of a sophisticated scam and Revolut failed in their duty to protect him. Requiring Revolut to refund payment 13 does not reflect the severity of Revolut's failure or the financial loss that Mr G incurred. Mr G shouldn't be held liable for any of the loss.
- Mr G feels he's being penalised for not raising complaints against other firms.

Under the Dispute Resolution Rules (found in the Financial Conduct Authority's Handbook), DISP 3.5.13 says, if a respondent (in this case Revolut) fails to comply with a time limit, the ombudsman may proceed with the consideration of the complaint.

I note that Revolut contacted us as they hadn't received the attachment with the provisional decision, but this was provided to them on 16 April 2025.

As the deadline for responses to my provisional decision has expired, I'm going to proceed with issuing my final decision.

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 the points that Mr G has raised, but I have reached the same outcome as I did in my provisional decision. I'm sorry to disappoint Mr G, but I'll explain why.

As I explained in my provisional decision, I'm satisfied that Revolut should've intervened on payment 10, but I'm not satisfied that intervention would've prevented Mr G's loss from that point. I say this because the appropriate intervention would've been an onscreen warning about cryptocurrency investment scams, which wouldn't have resonated with Mr G who fell victim to a job scam. I'm not persuaded that Revolut should've provided human intervention at payment 10.

But, when Mr G made payment 13, I would have expected Revolut to intervene again and at this point to have referred Mr G to their in-app chat so they could ask questions about the payment. As part of this in-app chat and the questions I would've expected Revolut to ask, I think it's more likely than not Mr G would've told Revolut that he was paying for work. This would've allowed Revolut to identify that he was most likely at risk of a job scam and for

Revolut to provide a tailored warning in response. I'm satisfied that a warning tailored to job scams, would've resonated with Mr G and the circumstances under which he'd found the job and the payments he was being asked to make. So, at this point (payment 13), I'm satisfied that intervention by Revolut would've prevented Mr G from making any further payments.

As I'm not satisfied that Revolut's intervention would've prevented Mr G's loss before payment 13, I can't fairly ask Revolut to refund any of the earlier payments.

I realise that Mr G has suffered a substantial loss and requiring Revolut to only refund the last payment means that he is significantly out of pocket. But, just because Revolut didn't intervene in the way they should have, doesn't mean I can fairly hold them fully liable for Mr G's loss.

In relation to payment 13, I also had to consider whether Mr G should've taken steps to mitigate his loss and whether it's fair for him to share liability for his loss on payment 13 with Revolut.

As Mr G was contacted out of the blue, wasn't given any documentation or usual employment contracts, and was being offered a very high salary/commission for a low level of work – I think Mr G should've been concerned about the legitimacy of the offer. In response to those concerns, I would've expected Mr G to do some checks before making any payments, which could've included contacting the company he believed he was going to be working for. If he had, he would've realised that he hadn't been offered a job working for them and the scam would've been uncovered.

Mr G says he is being penalised because he hasn't raised complaints about other banks or EMI's that he used to move money as part of the scam – but that isn't the case. In reaching an answer on Mr G's case, I can only look at Revolut's actions and their liability in relation to the payments Mr G made. This is not negatively affected by Mr G not raising complaints with other banks or EMI's. It would only affect the outcome on this case, if Mr G had been refunded part or all of his loss by another bank or EMI. I'm sorry if this caused Mr G any confusion.

In summary

I'm satisfied that Revolut should've intervened on payment 13 by referring Mr G to their in-app chat and, if they had, it's more likely than not his loss would've prevented on payment 13. But, it's fair for Mr G to share responsibility for his loss with Revolut as he should've been concerned about the legitimacy of the job offer and done checks before making the payments. So, Revolut should refund 50% of payment 13, and pay simple interest of 8% on that refund, calculated from the date of the payment until the date of settlement. The interest addresses the fact that Mr G has been deprived of the use of those funds.

Putting things right

To put things right I require Revolut Ltd to:

- Refund 50% of payment 13 being £1,625, and
- Pay simple interest of 8% on that refund, calculated from the date of the payment until the date of settlement.*

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

My final decision

My final decision is that I uphold this complaint against Revolut Ltd and require them to compensate Mr G, as set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 22 May 2025.

Lisa Lowe
Ombudsman