

The complaint

Miss S complains that Revolut Ltd didn't do enough to protect her from the financial harm caused by an advance fee scam, or to help her recover the money once she'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.

Miss S received a message on Telegram from someone I'll refer to as "the scammer" who told her about a job which involved the promotion of movie tickets in return for a commission on each 'task'.

Miss S didn't do any research, but she was added to a WhatsApp with others doing the same role. The scammer told her to sign up to a platform and explained that she'd be assigned a coach to help her through the process. They also told her she would have to pay for the movie tickets using cryptocurrency and that they would tell her what to say to the bank if there was a problem.

The scammer asked Miss S to first purchase cryptocurrency from P2P sellers and then load it onto an online wallet. She transferred funds to Revolut from Bank M and between 1 January 2024 and 12 January 2024, she made nine faster payments to three individuals totalling £23,034.72.

During the scam period Miss S successfully made one withdrawal. When she didn't have enough money to pay for tasks, she borrowed some money from her father, eventually realising she'd been scammed when she was unable to make a withdrawal.

Miss S complained to Revolut with the assistance of a representative who said the payments were unusual for the account and that it failed to warn her about the scam risk. But Revolut said it was not at fault for processing the transfers and it had done everything in its power to recover the funds, having launched the request to freeze and retrieve the funds from the fraudulent beneficiary's bank account within 24 hours. It said Miss S was shown new beneficiary warnings and asked if someone was pressuring her to perform the payments and if she'd been called unexpectedly.

Miss S wasn't satisfied and so she complained to this service with the assistance of her representative who explained that she didn't do any research, and she'd felt embarrassed to ask the scammer any questions about what she was being asked to do.

Responding to the complaint, Revolut said the account was created on 3 January 2024 with the account purposes given as foreign exchange, purchase protection, crypto and transfers. It said it had no reason to suspect the payments were being made as a result of fraud and Miss S was shown strong warnings according to the payment purpose she chose, but she was untruthful, and this prevented it from uncovering the scam.

It also said she failed to do due diligence having been contacted via Telegram and told she'd need to pay for tasks in cryptocurrency in return for unrealistic returns. She followed instructions from third parties and sent funds to unknown individuals without being given any employment documents. It said that if she'd done proper research before sending the funds she'd have realised cryptocurrency was risky and that the job was a scam.

Our investigator didn't think the complaint should be upheld. They noted that Revolut asked a series of questions and provided a tailored warning related to cryptocurrency investment scams, but as Miss S believed the payments related to a job, the warning wasn't relevant.

They explained that Miss S didn't answer Revolut's questions truthfully and they wouldn't expect Revolut to have warned Miss S about job scams. They were also satisfied the interventions were proportionate to the risk associated with the payments and they didn't think Revolut was at fault for processing the payments.

Finally, they were satisfied that Revolut acted reasonably in attempting to recover the funds, but it was unable to recover money from the beneficiary accounts. Miss S has asked for her complaint to be reviewed by an Ombudsman.

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 Miss S has been the victim of a cruel scam. I know she feels strongly about this complaint, and this will come as a disappointment to her, so I'll explain why.

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

There's no dispute that this was a scam, but although Miss S didn't intend her money to go to scammers, she 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

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.

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 January 2024 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;
- 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.

I've thought about whether Revolut could have done more to prevent the scam from occurring altogether. It 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 Miss S when she 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 Miss S from financial harm due to fraud.

Revolut gave Miss S a new payee warning before processing the payments to each new beneficiary and it engaged her in a live chat when she made payments four and eight. I've considered whether it should have intervened sooner but based on the value of the payments and the fact it wouldn't have been apparent that she was buying cryptocurrency, I don't think it needed to.

During the live chat that occurred before the fourth payment, Miss S told Revolut she was buying cryptocurrency from a merchant via a cryptocurrency exchange, she wasn't being guided, and that she'd learned about the investment opportunity from friends and family. She also said she'd invested in cryptocurrency before, she'd done research, and she was transferring funds to her own account.

I'm satisfied Revolut asked relevant questions and that Miss S's responses prevented it from detecting the scam. I'm also satisfied the intervention was proportionate to the risk presented by the payment, that Revolut gave an appropriate warning and that there was no reason for it to have warned her about job scams.

Revolut intervened again before payment eight and Miss S gave very similar responses, so there wasn't anything else it could reasonably have done to detect the scam or alert her to the risks.

I've also considered whether there were any other opportunities to intervene, and I don't think there were. So, I don't think Revolut missed any opportunities to prevent the scam.

Recovery

I don't think there was a realistic prospect of a successful recovery because Miss S received the cryptocurrency she paid for.

Compensation

The main cause for the upset was the scammer who persuaded Miss S to part with her 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 Miss S has lost money and the effect this has had on her. 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 Miss S to accept or reject my decision before 15 August 2025.

Carolyn Bonnell
Ombudsman