

The complaint

Ms J is being represented by solicitors. She's complaining about Revolut Ltd because it declined to refund money she lost as a result of fraud.

What happened

Sadly, Ms J fell victim to a cruel job scam. Her representative has said she was looking for work and was contacted by the scammers online. She was offered a job that required her to complete sets of tasks that involved leaving online ratings and reviews for hotels. She was required to pay using cryptocurrency to access these tasks. Ms J realised this was a scam when she tried to withdraw money.

To fund the scam, Ms J set up a new account with Revolut and made the following card payments to a known cryptocurrency exchange in July 2023:

No.	Date	Amount £
1	11 Jul	36
2	11 Jul	80
3	12 Jul	120
4	12 Jul	144
5	12 Jul	130
6	13 Jul	120
7	13 Jul	372
8	13 Jul	586
9	13 Jul	1,157.86
10	13 Jul	314
11	14 Jul	1,490
12	14 Jul	2,550
13	18 Jul	3,000

My provisional decision

After the complaint was referred to me, I issued my provisional decision setting out why I thought it should be upheld. My reasons were as follows:

In this case, there's no dispute that Ms J 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.*

I've noted the comments of Ms J's representative about the obligations resulting from the Financial Conduct Authority's Consumer Duty. But I think it's relevant to point out here that those specific requirements don't apply in this case as the payments took place before the Duty came into force on 31 July 2023.

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

Should Revolut have recognised that Ms J was at risk of financial harm from fraud?

One of the key features of a Revolut account is that it facilitates payments that sometimes 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 11 at the time, I'm not persuaded it ought to have been particularly concerned about them. The amounts were relatively low and this was a new account, meaning there was no history of past activity against which the payments might have looked suspicious. Further, when applying to open the account, Ms J did provide a list of reasons for doing so and one of those purchasing cryptocurrency so they wouldn't have been unexpected.

By the time of payment 12, however, I do think Revolut ought to have been concerned that Ms J was at risk of harm from fraud. This was her second payment to cryptocurrency on that day with a total value of over £4,000. 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 this payment took place, I think Revolut should have recognised that payments to cryptocurrency carried a higher risk of being associated with fraud. In view of the amount now involved, and given the number of smaller payments that had preceded

it in the space of only a few days, I think a pattern of payments consistent with many known types of scam had begun to emerge at this point.

What did Revolut do to warn Ms J?

Revolut has told us it didn't identify any of the above the payments as potentially suspicious and attempted no intervention..

What kind of warning should Revolut have provided before payment 12 was processed?

Having thought carefully about the risk this payment presented, I think a proportionate response to that risk would have been for Revolut to ask Ms J about the reason for the payment with a view to providing an appropriately tailored scam warning.

Job scams were well known by this time and I think one of the options presented to her when asking about the payment should have encompassed this type of arrangement. I've seen nothing to show that Ms J was told to hide the real reason for the payments she was making. And if she'd been asked about this, I've no reason to think she wouldn't have correctly disclosed that she was paying money to obtain online work.

Once it received that response, I think Revolut should have realised it was likely she was falling victim to a scam and at least shown her a relevant tailored warning. That warning should have included the common features of job scams, including for example that victims are often approached online, not required to attend interviews or provided with employment contracts, asked to complete sets of tasks that they pay to access with cryptocurrency on the promise of receiving payment once those tasks are completed, and asked to pay further amounts to reset negative balances on their accounts or to access particularly lucrative tasks.

Would the type of warning I've described have prevented the losses from payment 12?

If Ms J had received a warning such as I've outlined I think it's likely she'd have recognised many of these common features in her own situation and that it would have resonated with her. On balance, I think this would have opened her eyes to the scam and that she'd have opted not to proceed with payment 12.

I think it follows that if the scam had been uncovered at the point of payment 12, payment 13 would also have been prevented.

Is it fair and reasonable for Revolut to be held responsible for Ms J's loss?

I have taken into account that Ms J remained in control of her money after making the payments from Revolut. It wasn't lost until she took further steps. But Revolut should still have recognised she was at risk of financial harm from fraud, made further enquiries about payment 12 and ultimately prevented her loss from that point. I think Revolut can fairly be held responsible for any loss in these circumstances.

I have considered all of the facts of the case, including the role of other financial institutions involved, but both of the banks Ms J used to transfer money to Revolut have told us they didn't intervene in any of those transfers, meaning she wasn't shown any warning that should have alerted her to the fact the payments may be part

of a scam. Ms J has chosen not to pursue a complaint about those banks or any other firm and I can't compel her to do so. And, I don't think it would be fair to reduce her compensation because she'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 Revolut responsible, I don't intend to comment on it. I note 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 Ms J bear any responsibility for her losses?

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

There was no formalisation of the arrangement between her and the employer – for example, there was no written contract or clear setting out of the terms of her employment. In addition to that, 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 Ms J should have proceeded only with great caution. If she'd carried out any further research, for example online searches, I think she'd have quickly discovered her 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 Ms J's losses once it was aware the payments were the result of fraud.

I understand Ms J first notified Revolut of the fraud in September 2024, more than a year after the payments were made. 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 and I don't think anything that Revolut could have done differently would likely have led to those payments being recovered successfully after this period of time. In addition, the normal timeframe for pursuing a chargeback claim on card payments had passed.

In conclusion

For the reasons I've explained, I don't think Revolut acted fairly and reasonably in its dealings with Ms J and I'm proposing to uphold this complaint in part. While I don't think it acted incorrectly in processing payments 1 to 11 in line with her instructions, if it had carried out an appropriate intervention before payment 12 debited her account, I'm satisfied payments 12 and 13 would have been prevented.

The responses to my provisional decision

Ms J's representative confirmed her acceptance of my provisional decision. Revolut said it had nothing to add, although it did point to an error in the list of payments where I said payment 10 was for £344 when it was actually £314. I've corrected this above.

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.

As neither party has made any further submissions, my findings haven't changed from those I set out previously.

Putting things right

The principal aim of any award I make must be to return Ms J to the position she'd now be in but for the errors or inappropriate actions of Revolut, while allowing for any responsibility she 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 Ms J would have retained the money that was lost from payments 12 and 13. As outlined above, I've applied a 50% deduction to the amounts to be refunded in recognition of Ms J's own contribution towards the loss.

To put things right, Revolut should pay Ms J compensation of A + B, where:

- A = a refund of 50% of each of payments 12 and 13; 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 Ms J for the period she was unable to use this money. HM Revenue & Customs (HMRC) requires Revolut to deduct tax from any interest. It must provide Ms J with a certificate showing how much tax has been deducted if she 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 Ms J'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 Ms J to accept or reject my decision before 15 August 2025.

James Biles
Ombudsman