

The complaint

Mr S 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 S fell victim to a cruel job scam. After responding to an advert on social media, he was contacted by scammers who introduced him to an online job opportunity that required him to complete sets of tasks in exchange for commission. He needed to pay in cryptocurrency to access the tasks and says he realised it was a scam when he was being asked for larger and larger amounts.

Mr S had an existing account with Revolut and in August 2023 he used it to make the following card payments to a cryptocurrency exchange that were then lost to the scam:

No.	Date	Amount £
1	21 Aug	39.32
2	21 Aug	54.99
3	21 Aug	82.61
4	22 Aug	156.97
5	22 Aug	392.25
6	22 Aug	474.55
7	24 Aug	853.03
8	24 Aug	55.53
9	24 Aug	1,906.54

Mr S did receive some money back from the scam, with the amount of £162.16 deposited into his Revolut account on 21 August.

My provisional decision

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

There's no dispute that Mr S authorised these 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 S.

Should Revolut have recognised that Mr S 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 the purchase of cryptocurrency and I must take into account that many similar payment instructions it receives will be entirely legitimate.

Nonetheless, Revolut knew these payment was going to a cryptocurrency exchange. 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.

Having considered what Revolut knew about payments 1 to 8 at the time, particularly that they were relatively low in value, I'm not persuaded it ought to have been particularly concerned about them. So, I can't reasonably say it should have identified Mr S may be at risk of harm from fraud or that it was at fault for processing the payments in line with his instructions.

But payment 9 was for a much larger amount. It was also Mr S's third payment to cryptocurrency on that day (with a combined value of nearly £3,000) and his ninth in only four days. In addition, the amounts were steadily increasing and the transactions were unusual for this account, which had been unused for nearly a year beforehand. This is the point at which I think a pattern consistent with many known types of scam began to emerge and when Revolut should have begun to suspect Mr S may be at risk of harm from fraud.

What did Revolut do to warn Mr S?

Aside from taking Mr S through the 3D Secure payment process, it's my understanding that Revolut didn't show him any fraud and scam warnings or attempt any other kind of intervention before the payments were processed.

What kind of warning should Revolut have provided?

Having thought carefully about the risk this payment presented, I think a proportionate response to that risk would have been for Revolut to have asked Mr S about the reason for the payment with a view to providing a relevant and tailored scam warning.

If Revolut had intervened as I've described, would that have prevented the losses Mr S suffered from payment 9?

I've seen nothing in the history of his online chats with the scammer to show Mr S was coached to hide the real purpose of the payment and I've no other reason to think he wouldn't have disclosed that he was paying money to obtain online work if he'd been asked the question.

Once it knew Mr S was paying to obtain work, Revolut would have been in a position to provide a tailored warning setting out the common features of job scams. These features could include, for example, that scammers often advertise on social media, offer high rates of commission for completing sets of tasks, that victims need to pay to access these tasks using cryptocurrency, may receive small payments from the scam initially, but are then constantly asked to pay more and more to access tasks and complete sets.

If Mr S had received such a warning, I think he'd have recognised many of the features in his own situation and it would have resonated with him. On balance, I find that the most likely outcome is he'd have decided not to proceed with the payment.

Did Mr S receive any scam warnings from his bank?

Mr S has said the money he transferred to Revolut to fund the scam was borrowed from a family member so it's not clear it came from his own account or that he would have seen any warnings. But even if some of the transfers came from his own account, his bank wouldn't have known the money was ultimately going to cryptocurrency and in view of the relatively low amounts involved, I wouldn't have expected it to show anything other than generic scam warnings that wouldn't necessarily have resonated in the way I believe a tailored warning such as I've described would have.

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

I have taken into account that Mr S 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 harm from fraud, made further enquiries about payment 9 and ultimately prevented his loss from that. 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 S has chosen not to pursue a complaint 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.

In submitting its defence, 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 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 S 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 S believed these payments were being made in connection with a legitimate investment opportunity, I'm not persuaded that belief was a reasonable one throughout the course of the scam.

I've seen nothing to indicate there was a formalisation of the arrangement between Mr S and the employer – for example a written contract or clear setting out of the terms of 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. As far as I can see, there wasn't really any attempt to explain this uncommon arrangement. In the circumstances, I think Mr S should have proceeded with great caution. If he'd carried out further research, for example online searches, I think he'd have quickly found 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 S's losses once it was aware that the payments the result of fraud.

Mr S 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 to recover funds from his own account and it appears the money had already been moved on. If not, anything that was left would still have been available to him to access.

As the payments were card payments, I've considered whether Revolut should have tried to recover the money through the chargeback scheme. But I'd only expect it to have raised a chargeback claim if it was likely to be successful and it doesn't appear that would have been the case here. Mr S paid a legitimate cryptocurrency exchange and would have received a service that involved changing his money into cryptocurrency before sending it to the wallet address he supplied it with. Mr S's disagreement is with the scammer, not the cryptocurrency exchange and it wouldn't have been possible for Revolut to process a chargeback claim against the scammer as he didn't pay them directly.

Taking everything into account, I don't think anything that Revolut could have done differently would 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 S and I'm proposing to uphold this complaint in part. While I don't think it acted incorrectly in processing payments 1 to 8 in line with Mr S's instructions,

if it had carried out an appropriate intervention before payment 9 debited his account, I'm satisfied that payment would have been prevented.

The responses to my provisional decision

Mr S accepted my provisional decision. Revolut confirmed it had nothing further to add.

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 Mr S 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 he would have retained the money that was lost from payment 9. As outlined above, I've applied a 50% deduction to the amounts to be refunded in recognition of Mr S's own contribution towards the loss.

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

- A = a refund of 50% of payment 9; and
- B = simple interest on the amount being refunded in A at 8% per year from the date of the payment to the date compensation is paid.

Interest is intended to compensate Mr S 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 S 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 S'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 S to accept or reject my decision before 10 September 2025.

James Biles
Ombudsman