

The complaint

Ms O 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 O fell victim to a cruel job scam. After being contacted by a recruiter using a messaging app she was offered work completing online reviews. She was required to pay in cryptocurrency to access sets of tasks for which she expected to receive commission when they were completed. She was set up with a fake online account that appeared to show her commission but which she was also repeatedly told she needed to top up.

To facilitate payments to the scam, Ms O set up an account with Revolut on 24 February 2024 and began making payments to the scam the following day. Overall she made the following sets of transfers, which amounted to a total of over 90 individual payments with a combined value of around £18,000, to the accounts of individuals for what I understand were peer-to-peer cryptocurrency purchases:

Set no.	Date	No. of transfers	Payee
1	25 to 26 Feb	17	Individual 1
2	8 Mar	25	Individual 2
3	10 Mar	15	Individual 3
4	13 Mar	36	Individual 4

The amount of the payments differed slightly, but each was around £200 in value.

Prior to these transfers, Ms O had made multiple payments to the scam from an account with another Electronic Money Institution (EMI).

Ms O took out a loan on 8 March that she says she initially taken to pay for planned home improvements but that she was then sucked into using it to fund payments to the scam. We've contacted the lender for details and it's confirmed Ms O is up to date with repayments and that none of the balance has been written off as a result of the fraud.

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 Ms O authorised these payments. In broad terms, the starting position at law is that an 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 Ms O.

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

I must take into account that many similar payment instructions Revolut receives will be entirely legitimate and that it has a responsibility to make payments promptly. I'm also conscious this was a new account and there was no history of past activity against which these payments might have looked suspicious.

Sets 1 and 2 were relatively low in value and, having considered what Revolut knew at the time, I think a proportionate response to the risks of these payments would have been to ask Ms O to confirm their purpose with a view to providing a written warning based on the answer it received. It's clear from the records provided of her chats with the scammer that Ms O was being coached to hide the real reason for the payments and to say she was sending money to friends and family. It's also clear she followed that advice as the other EMI has confirmed she repeatedly selected this option (from a list that did include paying money to work online) when it asked her about the payments she was making. I've no reason to believe she'd have answered any differently if Revolut had asked the same question and I don't think it would have had any reason to doubt that answer initially. This means any warning given would have related to scams involving payments to friends and family. As this wasn't the type of scam that was taking place, I don't think I can reasonably say any warning would have resonated with Ms O or stopped her from going ahead with the payments.

By 10 March, however, I think Revolut should have identified the pattern of payments was very unusual and that Ms O and concluded that a more robust intervention was warranted. In my view, this realisation should have occurred by the time of payment 10 in set 3. This was the 10th payment to one person on the same day that followed a succession of 25 payments to another individual only two days earlier. While the value of each individual payment was low and it's not clear Revolut would have

known she was buying cryptocurrency, the pattern of so many repeated payments in such a short space of time should have been a cause for concern.

What did Revolut do to warn Ms O?

Aside from asking Ms O to confirm she knew and trusted each new payee, Revolut has confirmed that it didn't ask about the purpose of the payments or intervene further in the payment process.

What kind of warning should Revolut have provided?

For the reasons I've explained, I don't think any proportionate intervention at an earlier stage would have been successful in stopping the scam. But as I've also said, I think payment 10 in set 3 should have prompted a more robust intervention. Having thought carefully about the risk this payment presented, I think a proportionate response to that risk would have been for Revolut to have attempted to establish the circumstances surrounding the payment before allowing it to debit Ms O's account, most likely directing her to its in-app chat to discuss the payment further.

If Revolut had intervened as I've described, would that have prevented the losses Ms O suffered from payment 10 in set 3?

In reaching a conclusion on this issue, I have taken account that Ms O was being guided by the scammer and had already hidden the reason for the payments she was making from the other EMI. It therefore seems likely that she wouldn't have immediately disclosed what was going on if Revolut had asked about the reason for the payment. But at the same time, I don't think any cover story about paying a friend or family member would have stood up to scrutiny from an appropriately skilled agent. It would be very unusual to pay anyone by making multiple small payments on the same day rather than a single larger payment and this was the third such unusual pattern of payments in a short space of time since the account was opened. In the circumstances, if Ms O had continued to say she was paying friends and family as directed by the scammer, I would have expected this explanation to be challenged.

Revolut's agent could have explained they were asking questions to protect Ms O from potential scams, emphasised the importance of answering truthfully, and warned that only scammers would ask her to hide the real reason for the payment – all of which are normally covered when it does intervene in the payment process. As she believed she was making payments connected to a genuine job opportunity, I think there's a good chance she'd have opened up about what she was doing if she understood these points.

But even if Ms O didn't say what the payments were really for, it's difficult to think of an explanation she could have provided that would have explained the highly unusual activity on her account. And I've seen nothing in the history of her chats with the scammer to show she was given a cover story that would have been convincing enough to satisfy robust enquiries.

With these points in mind, I think an appropriately skilled agent should ultimately have been able to identify there was a high chance Ms O was falling victim to a scam and explained this to her. And that the most likely type of scam to be taking place based on the pattern of payments was either an investment or job scam. They could then have provided relevant tailored warnings covering some of the common features of these scams, for job scams for example that victims are often contacted out of the blue, offered online work carrying out sets of tasks that they're required to pay to

access with cryptocurrency, not given a contract or other documentation to confirm their employment, set up with accounts on professional-looking websites and repeatedly told to pay more and more to access tasks and continue with their role.

If Ms O had received this kind of warning from one of Revolut's agents, I think it's likely she'd have recognised many of these features in her own situation and it would have resonated with her and opened her eyes to what was really going on. On balance, I think the most likely outcome is that she'd have opted not to continue with the payment.

If the scam had been stopped before payment 10 in set 3, I think it follows that all later payments to the scam would also have been prevented.

What about the actions of other institutions?

This was a multi-stage fraud that saw Ms O move money from her bank to Revolut and then eventually onto the scammer. This complaint is about Revolut and it's not appropriate for me to comment here on whether or not the bank should have identified she was at risk of harm from fraud and whether it reacted proportionately. But to obtain a full picture of what took place, we have contacted it to establish if it attempted any kind of intervention before transferring her money to Revolut.

There's no record of any tailored warnings or other intervention from Ms O's bank that should have alerted her to the fact she was speaking to a scammer or that changes my views about how Revolut should have dealt with this situation and whether she acted reasonably in the circumstances.

In respect of the other institutions involved in this sequence of events, there's no record of any relevant scam warnings from the lender that provided the loan to Ms O or from the EMI, which says it only showed warnings relating to friends and family scams based on the answers it received when it asked about the reason for the payments in the app. Following her complaint, it has since accepted it should have done more to warn Ms O about the possibility she was being scammed and agreed to refund some of the payments made to the scam from its account.

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

I have taken into account that Ms O appears to have 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 10 in set 3 and ultimately prevented her loss from that point. I think Revolut can fairly be held responsible for any loss in these circumstances.

While I have considered all of the facts of the case, including the role of other financial institutions involved in the above payments, Ms O has chosen not to pursue a complaint about any other business 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 business, as I consider that Revolut should have prevented the loss.

Should Ms O 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 O believed these payments were being made in

connection with a legitimate employment opportunity, I'm not persuaded that belief was a reasonable one.

The chats with the scammer refer to extremely high levels of earnings for the work described and I think Ms O should reasonably have questioned whether this was too good to be true. In addition, I understand there was no formalisation of the arrangement between Ms O and the employer – for example, a written contract or clear setting out of the terms of her employment. Further, 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 O should have proceeded with great caution. If she had 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 O's losses once it was aware that the payments were the result of fraud.

I understand Ms O didn't tell Revolut about the fraud until more than two weeks after the last payment. 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 it's not a surprise that Revolut's attempts to get her money back weren't successful.

I also understand that these payments made legitimate purchases of cryptocurrency that was transferred to an account under Ms O's control, albeit briefly, before it was transferred to the scam. In these circumstances, I wouldn't expect Revolut to be able to recover funds from a (most likely) genuine seller of cryptocurrency who wasn't involved in the scam.

In the circumstances, I don't think anything that Revolut could have done differently would likely have led to these payments being recovered.

In conclusion

For the reasons I've explained, I don't think Revolut acted fairly and reasonably in its dealings with Ms O and I'm proposing to uphold this complaint in part. While I don't think it acted incorrectly in processing the initial payments in line with her instructions, if it had carried out an appropriate intervention before payment 10 in set 3 debited her account, I'm satisfied this payment and those that followed would have been prevented.

The responses to my provisional decision

Ms O's representative confirmed her acceptance of 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 Ms O 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 O would have retained the money that was lost from payment 10 in set 3 onwards. As outlined above, I've applied a 50% deduction to the amounts to be refunded in recognition of her own contribution towards the loss.

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

- A = a refund of 50% of each payment from payment 10 in set 3 onwards; 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 O 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 O 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 O'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 O to accept or reject my decision before 13 October 2025.

James Biles
Ombudsman