

The complaint

Mrs H complains that Revolut Ltd won't refund the money she lost to a job scam.

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.

Mrs H was searching for a remote job for a family member. In January 2024, she received a text from a scammer, who pretended to be a legitimate recruiter. The scammer asked Mrs H if she was interested in an online commission-based job with Company C (an impersonation of a legitimate company).

The job was completing basic reviews, aimed at boosting movie ratings, for high commission. Mrs H was recruited, and she was led to believe that she could become an agent and then introduce the job to her family member.

Mrs H received some basic training and was added to a realistic group chat with what she thought were other employees. An account was created for her on a Company C platform and, after completing initial sets of tasks and receiving a few credits, higher earning tasks became available. However, for these more attractive tasks there was a requirement for Mrs H to continuously credit her account with funds.

The scammers guided Mrs H on how to make payments and what to say if any of the banks or financial firms intervened.

The small credits made the job seem authentic and Mrs H made payments to a number of individual payees from Revolut and Firm W, another legitimate / regulated Electronic Money Institute (EMI).

Between 4 January and 23 January 2024 Mrs H paid the scammers from her Firm W account. To be able to send larger amounts, she was told to open an account with Revolut and between 23 January and 28 January 2024 she made the following four payments:

| Credit / Payment No. | Date | Time | Payee | Amount |
|----------------------|---------|-------|----------|-----------------|
| Bank B credit | 23/1/24 | 22:28 | | £2,918 |
| Payment 1 | 24/1/24 | 12:43 | Person H | £2,885.97 |
| Bank M credit | 27/1/24 | 16:05 | | £4,468 |
| Payment 2 | 27/1/24 | 22:48 | Person C | £3,279.65 |
| Payment 3 | 27/1/24 | 23:18 | Person C | £1,213.80 |
| Bank M credit | 28/1/24 | 11:58 | | £1,386 |
| Payment 4 | 28/1/24 | 13:16 | Person C | £1,392.14 |
| Total | | | | 8,771.56 |

To credit these Revolut and Firm W accounts she used funds from her accounts with Bank B (business account), Bank M and Bank H.

From her Bank B business account, she transferred £2,918 to Revolut (by card payment) on 23 January 2024. Mrs H attempted another (higher) payment from her Bank B account on 27 January 2025, but this was blocked.

Mrs H thought she'd made more than £20,000 but the scammers wouldn't release any of her funds and threatened to confiscate her money unless she quickly paid them a 40% fee, so Mrs H felt under pressure to listen to the scammers and continue to make payments. Mrs H realised this was a scam as despite paying more and more money she wasn't able to withdraw her earnings and funds.

Mrs H's losses were £8,771.56 through Revolut and £4,964.29 through Firm W and she submitted complaints to these two firms and her three banks as she feels they didn't protect her from financial harm.

Revolut rejected Mrs H's complaint and refund claim as they considered they'd put in place reasonable measures to protect Mrs H from fraud and scams.

Mrs H brought her complaint to our service, but our investigator didn't think Revolut did anything wrong.

As Mrs H remains dissatisfied her complaint has been passed to me to look at.

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.

In deciding what's fair and reasonable, I am required to take into account relevant law and regulations, regulators' rules, guidance and standards, and codes of practice; and, where appropriate, I must also take into account what I consider to have been good industry practice at the time.

I'm very sorry that Mrs H became a victim of this cruel scam and lost a significant amount of money here. But having taken all of the above into account, I conclude that:

- Due to Mrs H being under the spell of the scammers and heavily coached she provided Revolut with false and misleading answers which misled them and negated their fraud and scam measures.
- In this circumstance, I don't consider it to be fair and reasonable to hold Revolut responsible for Mrs H's loss.

I should point out that:

- I'm satisfied that Mrs H's loss was the result of a scam.
- Revolut is not a member of the Lending Standards Board's Contingent Reimbursement Model ("CRM") Code, which is a voluntary scheme designed to protect customers from fraud and scams.
- I'm satisfied Revolut did make efforts to recover Mrs H's funds but unfortunately this was unsuccessful as there were no funds remaining in the beneficiary account.
- There's no dispute that Mrs H made the payments here, so they are considered authorised.

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 Mrs H modified the starting position described in *Philipp*, by 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*".

So, Revolut was required by the implied terms of its contract with Mrs H and the Payment Services Regulations to carry out their instructions promptly, except in the circumstances set out in its contract, which included where regulatory requirements meant it needed to carry out further checks.

Whether or not Revolut was required to refuse or delay a payment for one of the reasons set out in its contract, the basic implied requirement to carry out an instruction promptly did not in any event mean Revolut was required to carry out the payments immediately¹. Revolut could comply with the requirement to carry out payments promptly while still giving fraud warnings, or making further enquiries, prior to making the payment.

And, I am satisfied that, taking into account longstanding regulatory expectations and requirements and what I consider to have been good industry practice at the time, Revolut should in January 2024 fairly and reasonably 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 (irrespective of whether it was also required by the express terms of its contract to do so).

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 do in fact seek to take those steps, often by:

- Using algorithms to identify transactions presenting an increased risk of fraud;²

¹ The Payment Services Regulation 2017 Reg. 86 states that "the payer's payment service provider must ensure that the amount of the payment transaction is credited to the payee's payment service provider's account **by the end of the business day following the time of receipt of the payment order**" (emphasis added).

² 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/

- 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.

In reaching my conclusions about what Revolut ought fairly and reasonably to have done, 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)³.
- 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 Code⁴, 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).
- Since 31 July 2023, under the FCA’s Consumer Duty⁵, regulated firms (like Revolut) must act to deliver good outcomes for customers (Principle 12) and must avoid causing foreseeable harm to retail customers (PRIN 2A.2.8R). Avoiding foreseeable harm includes ensuring all aspects of the design, terms, marketing, sale of and support for its products avoid causing foreseeable harm (PRIN 2A.2.10G). One example of foreseeable harm given by the FCA in its final non-handbook guidance on the application of the duty was *“consumers becoming victims to scams relating to their financial products for example, due to a firm’s inadequate systems to detect/prevent scams or inadequate processes to design, test, tailor and monitor the effectiveness of scam warning messages presented to customers”*⁶.

³ 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.

⁴ BSI: PAS 17271: 2017” Protecting customers from financial harm as result of fraud or financial abuse”

⁵ Prior to the Consumer Duty, FCA regulated firms were required to “pay due regard to the interests of its customers and treat them fairly.” (FCA Principle for Businesses 6). As from 31 July 2023 the Consumer Duty applies to all open products and services.

⁶ The Consumer Duty Finalised Guidance FG 22/5 (Paragraph 5.23)

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 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;
- 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 – (as in practice Revolut sometimes does).

With all the above in mind, I first considered:

Whether Revolut recognised that Mrs H was at risk of financial harm from fraud and took any action?

I found that before releasing, Revolut did recognise a risk of financial harm as they put in place interventions on three (payments 1, 2 and 4) of the four payments having recognised a risk.

For payment 1, when setting up the new payee in Country V Mrs H confirmed that she knew and trusted them. Revolut's system then gave her a number of automated scam warnings and asked her to complete an automated questionnaire.

As Mrs H confirmed the payment was for crypto and an investment, which combined would've heightened the risk, she was given further tailored scam warnings. Also, Revolut implemented a human intervention via their webchat facility.

The fraud and scam agent started this intervention by highlighting the importance of honesty and checking Mrs H wasn't being told what to say. Also, she said that scammers may pressure her to make a payment urgently, tell her to ignore alerts and ask her to share her screen. The agent then asked Mrs H some probing questions about the payment and before releasing the payment asked Mrs H to sign a risk agreement.

For the same reason, Mrs H received the above-mentioned automated warnings for payment 2. There weren't any warnings for payment 3 (probably because the payee had been established) but probably due to three payments occurring in two days, highlighting a scam risk, for payment 4 Revolut repeated the same automated warnings, questionnaire, declaration that occurred in payment 1 and 2. Also, they implemented another human intervention.

I then considered whether:

Revolut's three interventions were effective and whether they should've been able to unravel or detect the scam preventing Mrs H's loss

I found Revolut's above mentioned automated and written warnings to be strong. Unfortunately, the warnings didn't relate to a job scam and didn't resonate with Mrs H but I don't think this was a Revolut failing.

Revolut didn't have any information to suggest the payments were for an on-line job and the tailored warnings, based on Mrs H's misleading answers about a crypto investment. Also, Revolut couldn't see any typical job scam patterns of initial credits followed by a velocity of same day payments which start off low.

The following important warnings applied to the scam Mrs H was victim to, yet she still bypassed them, said 'no' to them or gave false answers:

- 'Revolut has warned me this transaction is suspicious, and I understand the risk of losing my money' (declaration).
- This payment is likely to be a scam and other customers undertaking similar transactions (crypto) have been scammed. (Web-chat).
- 'Don't pay payees if you don't know and trust them'.
- 'Fraudsters can impersonate others'.
- 'Please answer truthfully'.
- 'If someone is telling you to ignore these warnings they're a scammer'
 - 'Is anyone telling you how to answer these questions?'
 - 'Is someone telling you which options to choose?'
 - 'Is anyone prompting or guiding you?'
 - 'Only continue if you're sure that you are not being prompted into making a payment'.
- 'Have you researched the company?'
- 'How did you discover this opportunity?'
 - 'Scammers use social media to entice victims'.
- 'Is the transfer to an account you control?'
 - 'Scammed customers can move money to an account they don't control and lose their money'.

I'm in no way blaming Mrs H but unfortunately she was influenced by the clever tactics of the scammers, trusted them over her banks and was being heavily coached to ignore Revolut's warnings, share them with the scammers and copy the scammers' answers. She was under their spell and desperate to recoup the money she paid them and even when she relayed Revolut's strong scam warnings, and was clearly worried by them, she trusted them when they told her to ignore it and gave her a script to use.

Although it can be argued that a Revolut fraud and scam agent may have possibly detected a scam had the two human interventions been over the phone, and I appreciate Mrs H's personal stresses at the time, I had to bear in mind the above-mentioned spell Mrs H was under, the trust she was willing to give the scammers and their manipulation and coaching.

Also, when Bank B did put in place an intervention call, I found that on that call Mrs H wasn't truthful and sounded very convincing when giving a plausible false cover story. In addition, when opening an account Revolut make it clear that they operate a virtual account and communicate through an app and in all their interventions they emphasised the importance of honesty and checked Mrs H was giving the answers and wasn't sharing her computer.

So, I don't think it would be fair and reasonable to say Revolut's webchat approach was wrong and I think it would've been very difficult for them to detect the scam even if they had a different approach to interventions.

Although I'm very sorry that Mrs H has lost such a significant amount of money to these cruel scammers, for the reasons mentioned above, I don't think it would be fair or reasonable to require Revolut to provide her with a refund here.

My final decision

For the reasons mentioned above, my final decision is that I'm not upholding this complaint against Revolut Ltd.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs H to accept or reject my decision before 17 December 2025.

Paul Douglas
Ombudsman