

The complaint

Mr G is unhappy Revolut Ltd won't refund the money he lost as the result of a scam.

Mr G has brought his complaint with the assistance of a professional representative. But for ease I'll refer to all their submissions as being from Mr G.

What happened

On 19 September I issued my provisional decision on this complaint. I wanted to give both parties a chance to provide any more evidence and arguments before I issued my final decision. That provisional decision forms part of this final decision and is copied below.

What happened

In January 2024 Mr G was looking for part-time work to supplement his income. He saw a job on social media and got in touch with the company. Mr G was then contacted on an instant messenger service by an individual who turned out to be a scammer.

The scammer told Mr G that the job was to rate and review cruises for a company I'll call S, with a set number of tasks each day. For work taking one to three hours, the scammer said Mr G could earn £90 to £250 each day.

Having found positive reviews for S online, Mr G agreed to start work. He was given a login and password for S. In line with the scammer's instructions, Mr G opened an account with a crypto provider to which he could deposit money to receive higher commission-based tasks. His funds would be deposited into his trading account and the scammer would invest them on his behalf.

Mr G deposited money using his existing Revolut account. Mr G was reassured by seeing his account profits rise on his trading account. So when he was offered a 'premium' ticket with higher commission and bonuses, he deposited further money. When he ran out of money the scammer suggested he take out a loan. At this point he realised he was the victim of a cruel scam.

Mr G says that he lost £4,662.74 between 10 January 2024 and 1 February 2024. I'll refer to this as 'scam one'. The relevant transactions are below:

	<i>Date & Time (where relevant)</i>	<i>Type of payment</i>	<i>Payee</i>	<i>Bank</i>	<i>Amount (*including fee)</i>
1	10.01.24	Transfer	Mr G	Bank N	£280.00
2	11.01.24	Transfer	Mr G	Bank N	£97.64
3	13.01.24 03:32:07	Transfer	Mr G	Bank H	£21.00
4	13.01.24 11.01:51	Push-to-card	Mr G	International bank	£158.90*
5	13.01.24	Push-to-card	Mr G	International	£202.00*

	11:13:59			bank	
6	13.01.24 11:15:15	Push-to-card	Mr G	International Bank	£202.00*
7	13.01.24 11:15:55	Push-to-card	Mr G	International Bank	£202.00*
8	13.01.24 11:16:28	Push-to-card	Mr G	International Bank	£202.00*
9	13.01.24 11:20:39	Push-to-card	Mr G	International Bank	£35.86*
10	13.01.24 11:27:18	Push-to-card	Mr G	International Bank	£10.86*
11	13.01.24 12:28:09	Transfer	Mr G	Bank N	£30.00
12	13.01.24 12:30:57	Push-to-card	Mr G	International Bank	£202.00*
13	13.01.24 12:32:06	Push-to-card	Mr G	International Bank	£131.30*
14	14.01.24	Transfer	Mr G	Bank H	£33.20
15	15.01.24	Transfer	Mr G	Bank H	£117.09
16	16.01.24	Transfer	Mr G	Bank N	£97.14
17	17.01.24	Transfer	Mr G	Bank N	£19.75
18	31.01.24	Transfer	Payee 1	New payee	£200.00
19	01.02.24 10:56:01	Push-to-card	Payee 2	International bank	£202.00*
20	01.02.24 10:56:42	Push-to-card	Payee 2	International bank	£202.00*
21	01.02.24 10:57:07	Push-to-card	Payee 2	International bank	£202.00*
22	01.02.24 10:57:27	Push-to-card	Payee 2	International bank	£202.00*
23	01.02.24 10:58:21	Push-to-card	Payee 2	International bank	£202.00*
24	01.02.24 11:18:36	Push-to-card	Payee 2	International bank	£202.00*
25	01.02.24 11:19:01	Push-to-card	Payee 2	International bank	£202.00*
26	01.02.24 11:19:29	Push-to-card	Payee 2	International bank	£202.00*
27	01.02.24 11:19:48	Push-to-card	Payee 2	International bank	£202.00*
28	01.02.24 11:20:24	Push-to-card	Payee 2	International bank	£202.00*
29	01.02.24 20:18:51	Transfer	Mr G	Bank H	£400.00

Mr G reported the scam to Revolut, which said it couldn't help him as he'd authorised the payments.

In April 2024 Mr G paid two further payments totalling £107 to a scammer who told him they could help him recover his money from scam one. I'll refer to this as scam 2. The relevant transactions are below.

30	01.04.24 18:54:31	Transfer	Payee 3	New Payee	£18.00
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31	01.04.24 18:59:19	Transfer	Payee 3		£89.00
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Mr G complained to Revolut about both scam one and scam two. He said Revolut hadn't provided any effective intervention or scam warnings, despite the pattern of transactions being unusual and bearing the hallmarks of a job/advance fee scam. Revolut issued a final response to Mr G for scam two. It didn't uphold Mr G's complaint.

Mr G brought his complaint to us and we asked for Revolut's file.

I'll briefly summarise Revolut's submissions. I said it didn't think it should be held responsible for Mr G's loss for either scam one or scam two:

- It had given Mr G a warning that his transactions were high risk. Mr G acknowledged the warnings and confirmed he trusted the payee and wanted to proceed.*
- There was a lack of diligence from Mr G in not conducting searches about the scam company, which had no online presence and a bad trust score. Revolut said that Mr G had acted with 'gross negligence' given that he'd paid the scammer money to work, didn't receive any contract, was offered an unrealistic salary promise and followed instructions to send his funds externally.*
- Mr G had authorised the payments, some of which went to his account with high street bank N, which was recognised as a trustworthy payee. The payments were not particularly high value or unusual. For transfers to a new payee, it showed Mr G a warning and asked whether he knew and trusted the payee.*
- It shouldn't be responsible for its customer's loss where it is only an intermediate link in a chain of transactions.*
- The role of other financial businesses (including any interventions or warnings they might have provided) needs to be considered.*
- The Financial Ombudsman should inform the complainant that it might be appropriate to make a complaint against another respondent.*

Our Investigator didn't uphold the complaint. In summary, he said:

- The pattern of payments wasn't particularly unusual or suspicious as compared to Mr G's account history such that Revolut should reasonably have realised Mr G was at risk of financial harm from fraud. Many of the transactions were being paid to Mr G's own bank account and he'd made such payments before. The card payments couldn't be recovered and Revolut did what it could to recover the transfers, but without success.*

Mr G didn't agree and asked for an Ombudsman's decision. In summary, he said:

- The transactions had an unusual pattern, where on two occasions multiple payments were made to the same payee for duplicated amounts in quick succession. This should have triggered Revolut's fraud detection systems and an intervention.*
- He made several payments to his own external bank account, and this is indicative of a 'safe account' scam, which again should be a red flag for Revolut.*
- Revolut is required under the Financial Conduct Authority's (FCA) Consumer Duty to act in the best interests of its customers and prevent foreseeable harm. Given the unusual patterns and increase in payment amounts, it was foreseeable that Mr G was at risk of financial harm from fraud.*

Developments

Following an initial review, I asked our Investigator to gather some additional information:

- *I asked Mr G why he'd made the two payments of 1 April 2024. Mr G said he'd been contacted by a scammer who told him they could help him recover the money he'd lost to scam one. He didn't receive the money back and the scammer blocked him.*
- *I'd noted that some of the disputed payments were made to Mr G's external high street bank accounts with 'N' and 'H'. I asked those banks whether they'd intervened with any warnings to Mr G during the period the scam took place. Both banks said they'd not intervened in any of the payments made from Mr G's accounts in the relevant period. Both banks said Mr G had not made a complaint to them about the scam.*
- *I asked Revolut whether it had issued a final response to Mr G's complaint about scam one. Revolut said it had not. (I note it has provided this Service with its response to both scams, which I've summarised above).*
- *I also asked Revolut for additional information about the recipient banks for some of the payments which it has provided and I will refer to this information in my findings below.*

What I've provisionally 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 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 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.*

Should Revolut have recognised that Mr G was at risk of financial harm from fraud?

It isn't in dispute here that Mr G has been the victim of a cruel scam, nor that he authorised the payments that are the subject of this complaint. As I've set out above, the starting point is that EMIs are required to follow the instructions given by their customers, in order for legitimate payments to be made as instructed.

But I've considered whether Revolut should reasonably have recognised that Mr G was at risk of financial harm from fraud and have had a closer look at the circumstances surrounding the payments that he made from his account with Revolut.

Scam one

Payments 1 and 2 were made to Mr G's account with high street bank N. Payment 3 was made to his high street bank H. I don't consider the amount or pattern of these payments ought to have triggered any intervention by Revolut.

But I've seen that on 13 January 2024 (and again on 1 February 2024) that Mr G made a series of repeated payments to the same payee. Revolut has sent me the payment information for payments 4 to 10 and 12 and 13, and I see they were made to a bank in another country (which is why Mr G incurred fees for each transaction).

I think that Revolut would have known that multiple payments, often for identical amounts, being made to the same payees in quick succession can often be an indicator of fraudulent activity. Given Mr G had made payments of identical amounts in quick succession to a new international payee, I'm currently satisfied that payment 8 should reasonably have been considered as unusual and triggered an intervention by Revolut.

Payments of this pattern are not how companies normally operate and had all the hallmarks of a job scam. I think there would have been reasonable grounds for suspicion at payment 8. And I think that Revolut should reasonably have given Mr G a tailored scam warning in light of the information then known to financial professionals about the risks associated with this type of job scam.

Scam two

Although two payments were made on the same day, I don't consider the payment pattern or amounts of the payments Mr G made in scam two should reasonably have triggered any additional intervention by Revolut.

What did Revolut do to warn Mr G?

Scam one

Revolut did not make any warnings when Mr G made the payments to his own external bank accounts, as it said he had previously made such payments.

Revolut said when Mr G set up a transfer to a new payee it gave the following warning to him:

*"Review Transfer
Do you know and trust this payee?"*

If you're unsure, don't pay them, as we may not be able to help you get your money back. Remember, fraudsters can impersonate others, and we'll never ask you to make a payment."

Revolut said Mr G had to accept the warning to proceed with the payments to the new payees. Mr G hasn't disputed this.

While I don't discount the warning entirely, it is very general in nature and it's difficult to see how it would resonate with Mr G or the specific circumstances of the transactions in

question. I don't think that providing the warning above was a proportionate or sufficiently specific mechanism to deal with the risk that the payments presented. I think Revolut should have done more.

Scam two

Revolut says it gave Mr G the 'Review Transfer' warning I've referred to above. I don't consider Revolut should have done more for the transfers to the new payee.

What kind of warning should Revolut have provided?

Scam one

I've thought carefully about what a proportionate warning in light of the risk presented would be in these circumstances. In doing so, I've taken into account that many payments that look very similar to the disputed payments will be entirely genuine. I've given due consideration to Revolut's primary duty to make payments promptly.

As I've set out above, the FCA's Consumer Duty, which was in force at the time these payments were made, requires firms to act to deliver good outcomes for customers including acting to avoid foreseeable harm. In practice this includes maintaining adequate systems to detect and prevent scams and to design, test, tailor and monitor the effectiveness of scam warning messages presented to customers.

I'm mindful that firms like Revolut have had warnings in place for some time. It, along with other firms, has developed those warnings to recognise both the importance of identifying the specific scam risk in a payment journey and of ensuring that consumers interact with the warning.

In the light of the above, I think that by January 2024, when these payments took place, Revolut should have had systems in place to identify, as far as possible, the actual scam that might be taking place and to provide effective warnings relevant to that scam for both authorised push payments (APP) and card payments. I understand Revolut did have systems in place to identify scam risks associated with card payments which enabled it to ask some additional questions and/or provide a warning before allowing a consumer to make a card payment. I also understand in relation to Faster Payments it already had systems in place that enabled it to provide warnings in a manner that is very similar to the process I've described.

I accept that such a system relies on the accuracy of any information provided by the customer and can't reasonably cover off every circumstance. But I consider a firm should by January 2024, on identifying a heightened scam risk, have taken reasonable steps to attempt to identify the specific scam risk – for example, by seeking further information about the nature of the payment to enable it to provide more tailored warnings.

Taking that into account, I'm satisfied that by January 2024, fairly and reasonably, Revolut ought to have attempted to narrow down the potential risk further. I'm satisfied that by the time Mr G made payment 8 Revolut should have asked him a series of automated questions designed to narrow down the type of job related scam risk associated with the payments he was making.

As such, I'd have expected Revolut to have asked a series of simple questions in order to establish that this was the risk the payment presented. Once that risk had been established it should have provided a warning which was tailored to that risk and the answers Mr G gave. I'd expect any such warning to have covered off the key features of such a scam, such

as making payments to gain employment, being paid for 'clicks', 'likes' or promoting products and having to pay increasingly large sums without being able to withdraw money. As I've said, I acknowledge that any such warning relies on the customer answering questions honestly and openly, but I've seen nothing to indicate that Mr G wouldn't have done so here.

In finding Revolut should have identified that payment 8 presented a potential scam risk and that it ought to have taken steps to narrow down the nature of that risk, I do not suggest Revolut would, or should, have been able to identify every conceivable or possible type of scam that might impact its customers. I accept there may be scams which, due to their unusual nature, would not be easily identifiable through systems or processes designed to identify, as far as possible, the actual scam that might be taking place and then to provide tailored effective warnings relevant to that scam.

But I am not persuaded that 'job scams' would have been disproportionately difficult to identify through a series of automated questions (as demonstrated by Revolut's current warnings – which seek to do exactly that) or were not sufficiently prevalent at the time that it would be unreasonable for Revolut to have provided warnings about them, for example through an automated system. I am satisfied that this was a sufficiently common scam.

Scam two

I've explained why I don't consider Revolut should have done more when Mr G made the two payments under scam two.

If Revolut had provided a warning of the type described, would that have prevented the losses Mr G suffered from payment 8?

Scam one

I think a warning of the type I've described would have identified that Mr G's circumstances matched an increasingly common type of scam – the job scam.

I think the warning would have resonated with Mr G, given the type of scam he'd fallen victim to had many of the features that I think should have been covered by the scam warning. I've read the messages that Mr G exchanged with the scammer and I can't see he was being guided to answer any questions from his bank in a particular way. When the scammer told Mr G to borrow money at the point he ran out of funds, Mr G stopped and realised he'd fallen victim to a scam. So I think he would have been open to any education about scam risks had this been given to him earlier.

Scam two

I've concluded Revolut didn't need to give any additional warning.

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

Scam one

While I have considered all the facts of the case, including the role of other financial institutions involved, Mr G has chosen not to complain about any other firm including his high street banks N and H and I cannot compel him to do so. And I do not think it would be fair to reduce Mr G's compensation because he's only complained about one firm, as I consider Revolut should have prevented part of the loss.

But as I've explained, I did ask our Investigator to make enquiries of Mr G's high street banks N and H to see whether they gave him any warnings when making payments to his Revolut account during the duration of the scam. Bank N and bank H both said they did not intervene in the payments he made to Revolut in the relevant timescale.

I've said that Revolut should be responsible for the payments Mr G made from and including payment 8. But I don't think it's fair that Revolut be responsible for the payments Mr G made to his bank accounts with N and H. I say this because I've not seen any evidence that these payments were lost to either scam one or scam two. Rather they were credited to his accounts with those banks. So, for the sake of certainty Revolut is not responsible for the payments Mr G made before payment 8, or for payments 11, 14, 15, 16, 17 or 29.

Scam two

Revolut is not responsible for Mr G's loss under scam two, being payments 30 and 31.

Should Mr G bear any responsibility for his loss?

Scam one

I've thought about whether Mr G should bear any responsibility for his loss represented by the payments I think he would likely not have made had Revolut given him a tailored scam warning. That is, the payments I've described above – and as I will also set out in the 'Putting things right' section below.

I've taken into account what the law says about contributory negligence as well as what's fair and reasonable in the circumstances of this complaint. This includes taking into account Mr G's own actions and responsibility for the loss he has suffered.

Mr G has explained why he thought he was responding to a genuine job offer. He saw an advert on social media to which he responded and was then contacted by an individual who explained what he'd need to do to earn money by rating and reviewing cruises for company S. He said he found favourable reviews of company S online and was further reassured when his trading account appeared to show his profits rise.

But I think, at its heart, the scam seems to have had some features that made its plausibility questionable. While I've not seen everything Mr G saw, the scammer's explanation for how the scheme worked is difficult to understand in part. I think that at some level Mr G ought reasonably to have questioned whether the activity he was tasked with carrying out (which doesn't seem unduly time-consuming or arduous) was capable of generating the returns promised at the point that he was required to make additional payments in quick succession to access a higher commission. I have taken into account that Mr G had not received any payment from the scammer at the point he paid additional funds, and it wasn't clear how and when he might be able to withdraw his earnings.

While I recognise that Mr G fell victim to a scam, I consider he could have realised that there was a possibility the employment scheme wasn't genuine or he might not recover his money. In those circumstances, it wouldn't be fair for me to require Revolut to compensate him for the full amount of his loss.

I've also considered the issue of 'gross negligence'. The mandatory reimbursement scheme rules aren't relevant to these transactions, so gross negligence isn't the standard to consider Mr G's actions against.

I think it would be fair, on balance, to reduce the amount I've provisionally decided Revolut should pay to Mr G due to his role in what happened. Weighing the fault that I've found on both sides, I think a fair deduction is 50%.

Scam two

I consider Mr G is entirely responsible for his loss to scam two, given I don't consider Revolut should have intervened.

Could Revolut have done anything more to recover Mr G's money from both scams?

I don't consider Revolut could successfully have recovered the push-to-card payments, as there was no clear mechanism for a successful recovery.

I'm satisfied that Revolut made reasonable attempts to recover the money Mr G sent by transfer, but this was without success because the beneficiary bank did not respond.

Putting things right

The principal aim of any award I make must be to return Mr G to the position he'd now be in but for the acts or omissions of Revolut, while allowing for any responsibility he should reasonably bear. If Revolut had carried out an appropriate intervention before processing payment 8 as I've described, I'm satisfied scam one would have been stopped and Mr G would have retained the money he lost to scam one from that point on.

For the sake of certainty, I have provisionally concluded Mr G's loss to scam one from and including payment 8 is for the following payments: 8, 9, 10, 12, 13, 18 to 28 inclusive. I calculate this to be a total loss of £2,808.02.

To put things right, I require Revolut to pay Mr G:

- *£1,401.01 being 50% of payments 8, 9, 10, 12, 13, 18 to 28 inclusive as set out above; and*
- *Simple interest* of 8% per annum on payments 8, 9, 10, 12, 13, 18 to 28 inclusive from the date each payment was made to the date of settlement.*

**If Revolut considers that it's required by HM Revenue & Customs to deduct income tax from that interest, it should tell Mr G how much it's taken off. It should also give Mr G a tax deduction certificate if appropriate.*

Mr G responded to say he accepted my provisional decision.

Revolut responded to say that it had reviewed my provisional decision and its position remained as previously stated. It had no additional information to provide.

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.

I've not received any additional evidence to consider. So I see no reason to depart from the findings I reached in my provisional decision. I confirm those findings here for the reasons I've already set out.

Revolut must now take the steps set out below.

Putting things right

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My final decision

For the reasons I've explained, my final decision is that I uphold this complaint in part and I require Revolut Ltd to take the steps set out in the 'Putting things right' section above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 5 November 2025.

Amanda Maycock
Ombudsman