

## The complaint

Mr Z complains that Revolut Ltd didn't do enough to protect him when he was buying cryptocurrency to send to an employment scam.

## What happened

In mid-May 2023, Mr Z was contacted via a messenger service with a job advert. It involved him reviewing hotel packages for commission. He had to complete daily tasks to get paid and encountered tasks that required him to pay in his own funds in cryptocurrency to complete them and keep using his account. Mr Z was asked to pay in more and more cryptocurrency to keep working and eventually contacted Revolut to ask about the payments. He realised he'd been scammed and tried to recover his funds via chargeback, as he'd made the payments on his debit card. He also complained to Revolut as it didn't intervene when he was making the payments.

Revolut didn't uphold Mr Z's complaint and explained that as he'd received the cryptocurrency he'd paid for, he couldn't make a chargeback claim. Mr Z came to our service as he said Revolut should've done more to protect him. Our investigator partially upheld Mr Z's complaint and directed Revolut to refund Mr Z 50% of the last two payments he made. Revolut asked for the complaint to be reviewed by an ombudsman. I issued a provisional decision on the case in October 2024. My findings were:

*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 in May 2023 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;*
- *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 including in relation to card payments);*
- *have been mindful of – among other things – common scam scenarios, how the 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'm satisfied that Revolut ought to have recognised that the 10<sup>th</sup> card payment Mr Z sent to this scam carried a heightened risk of financial harm from fraud because it meant Mr Z had sent over £3,000 in one day to cryptocurrency and this was a change to his usual account activity. Considering the increasing prevalence of investment cryptocurrency scams at this time, I think Revolut ought to have taken steps to counter this potential risk.*

*I don't however agree with our investigator that Revolut needed to speak to Mr Z. I think that a proportionate response to the risk would've been for Revolut to provide Mr Z with an automated warning specifically relating to prevalent cryptocurrency scams. But, had it done so, I'm not persuaded that would have prevented Mr Z's loss. I'll explain why.*

*Mr Z had fallen victim to a job scam. So while he was sending funds to buy cryptocurrency, he wasn't involved in a cryptocurrency investment scam. The warning I'd expected Revolut to give him therefore wouldn't have resonated with his situation or been relevant to what was happening to him. And as Mr Z was (based on his account history) experienced in buying and selling cryptocurrency, I don't think this warning would've concerned him at all, so he would've continued sending funds.*

*I've then considered what a proportionate response was to the next payment Mr Z made. This was for £3,244 and also was identifiably for cryptocurrency – although to a different merchant than the other ten payments. Looking at Mr Z's account history and considering the amount of this payment, I consider Revolut should've provided Mr Z with another cryptocurrency scam warning – but for the reasons above – I can't say this would've prevented the scam either.*

*From the payment information Revolut had, it wouldn't have known this was a job scam and so it needed to provide Mr Z with a different kind of warning. I think the only way Revolut could've prevented Mr Z making further payments was to speak to him and question him, but I don't think the payments warranted this level of intervention. So I can't fairly expect Revolut to have done this and so don't consider it can be held liable for Mr Z's losses here.*

*While I accept Mr Z has been the victim of a cruel scam, I'm not intending to uphold his complaint.*

Revolut didn't respond to the provisional decision. Mr Z responded and said he was very disappointed with it, but he didn't add anything further. So the complaint has been returned to me for a final decision.

### **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 provided any material new evidence, I see no reason to depart from my provisional findings. I recognise Mr Z was disappointed with the outcome I reached and that this scam has had a large impact on him. But for the reasons already outlined in my provisional decision, I don't uphold this complaint.

**My final decision**

For the reasons set out above, I don't uphold Mr Z's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr Z to accept or reject my decision before 12 December 2024.

Amy Osborne  
**Ombudsman**