

## **The complaint**

A company, which I'll call "W" complains that Revolut Ltd is refusing to refund the amount it lost as the result of a scam.

## **What happened**

The background of this complaint is well known to all parties, so I won't repeat everything here. However, in summary W says it was tricked into sending funds to a company who appeared to be selling goods from Portugal which W was interested in purchasing.

After making two payments on 19 March 2024 W was told there was an issue with shipping the items and fees needed to be paid. W made one payment for fees and then reached out to report the scam to Revolut on 22 March 2024. W asked Revolut to refund the money it had lost. Shortly after doing this W asked Revolut to put the claim on hold as the scammer had led it to believe the goods would be sent. W sent one more payment to the scammer. However, a few days later, after not receiving the goods as expected, W realised it had been scammed.

W has told us the company it thought it was purchasing goods from had been cloned, so the invoices and messages W had received had been from scammers and not the genuine company it thought it was dealing with.

W raised a complaint with Revolut in April 2024. Revolut didn't think it had done anything wrong by allowing the payments to go through. It said it displayed its standard "new payee" warning when W made the payments, which W acknowledged at the time. W remained unhappy, so it brought the complaint to our service.

An Investigator looked into the complaint but didn't think it should be upheld. The Investigator didn't think the payments made were unusual so they didn't feel Revolut should have identified a scam risk. W didn't agree. It said in summary, that the scam payments were higher than most of the previous payments made on the account, the payments were sent to a new payee and were international payments so should have been stopped by Revolut. W also explained that the account had been open a while, so Revolut should have picked up on how unusual the payments were for W's account.

As no agreement could be reached, the case was passed to me for a 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.

I'm sorry to learn what happened to W, but I'm not upholding this complaint - for broadly the same reasons as the Investigator.

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 in March 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;
- have been mindful of – among other things – common scam scenarios, how fraudulent practices are evolving and the different risks these can present to consumers, when deciding whether to intervene.

Taking the above into consideration, in this case, I need to decide whether Revolut acted fairly and reasonably in its dealings with W when these transactions were made, or whether it should have done more than it did.

I've kept in mind that EMI's such as Revolut process high volumes of transactions each day. There is a balance for Revolut to find between allowing customers to be able to use their account and questioning transactions to confirm they're legitimate.

I've reviewed W's account statements, and I can't conclude that the payments made to the scam would have looked particularly unusual or suspicious to Revolut. The highest payment made in relation to the scam was €1,581. W has advised that the disputed payments were unusual and higher than what was normally spent on the account so Revolut should have intervened on them. But I can see at least one payment to a limited company a few weeks prior to the scam payments being made for a similar amount. And a customer making some larger payments, compared to their usual spending is not uncommon. All the payments made were relatively modest, so I can't say Revolut should have been particularly concerned about them or that they would have presented an obvious scam risk in value alone.

I've also thought about the fact the payments were sent to a new payee and sent internationally. However, I don't find that a payment to a new payee is in itself suspicious enough to mean that Revolut should have considered that W was at risk of financial harm and contacted it before it made the payments. Making a payment internationally in isolation of any other obvious red flags is also not unusual. It's also not uncommon for a business customer to send payments to new suppliers. And I can see that W's account history confirms it sent payments to other companies. Overall, the scam payments didn't escalate rapidly in value, frequency or in a pattern that could indicate a scam was taking place.

When the initial payments were made, there was no way for Revolut to have known that W wouldn't ultimately receive the goods it was paying for at the time and although W contacted Revolut on 22 March 2024, it sounds like it wasn't sure this was a scam. W still believed the goods might be delivered and asked Revolut to put the claim on hold. It told Revolut in its chat that it was dealing with a genuine company. For the sake of completeness, I have considered Revolut's actions at this point and whether I would have expected it to do more once it became aware of the scam. However, W confirmed in its chat with Revolut that it had already made the first three payments to the scammer. It looks like W made its final payment to the scammers around the same time it was messaging Revolut. So, even if Revolut had probed W further at the time to understand more about the scam, I don't think it would have made a difference to the total lost as a result of the scam. I also think it would have been difficult to uncover the scam at this point given how convinced W was that he was dealing with a genuine company.

So, taking all the circumstances into account here, I don't think it was unreasonable for Revolut not to view the payments as suspicious, such that it should have carried out any additional checks or given an additional warning before processing the payments. So, I've not found that Revolut ought to have done any more to prevent the scam payments W made.

There are industry standards around attempting recovery of funds where a scam is reported. So, I've also thought about whether Revolut could have done more to recover the funds after W reported the fraud.

Revolut contacted the receiving bank upon notification of W's concerns. The receiving bank confirmed that the funds were withdrawn shortly after they were received into the account. So, I don't think there was anything else Revolut could have done in the circumstances.

It's clear that W was an unfortunate victim of a scam, and I know this outcome will be very disappointing. However, for the reasons I've explained, I don't think Revolut should have done more to prevent W's loss. So, it wouldn't be reasonable for me to ask Revolut to refund the payments W made.

### **My final decision**

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask W to accept or reject my decision before 25 June 2025.

Aleya Khanom  
**Ombudsman**