

The complaint

Mrs L complains that Revolut Ltd hasn't protected her from losing money she paid to one of its customers as a result of fraud.

What happened

The background to this complaint is well known to both parties, so I won't repeat everything here. In brief summary, Mrs L has explained that as a result of fraud on 12 May 2022 she made a payment of £8,995 from her bank account held with "Bank H" (a third party) to a recipient account held with Revolut.

Mrs L subsequently realised the payment had been made as a result of fraud, and she got in touch with Bank H and Revolut. Bank H and Revolut didn't reimburse her lost funds, so Mrs L referred complaints about them to us.

Mrs L's complaint about Bank H was resolved at our service, separate to this case about Revolut, when our Investigator recommended that Bank H reimburse Mrs L £4,497.50 plus 8% compensatory interest. Bank H and Mrs L agreed to settle the matter on this basis.

Our Investigator here didn't, however, recommend this separate complaint of Mrs L's about Revolut be upheld. Mrs L was unhappy about this and asked for the matter to be reviewed by an Ombudsman. So, as our Investigator couldn't resolve this complaint about Revolut informally, the case has been 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.

Let me say, first of all, I'm sorry to hear Mrs L made this payment as a result of fraud. I sympathise with the situation she has found herself in, and I understand why she thinks it's unfair she should bear the loss. However, ultimately Mrs L has suffered her loss because of fraudsters. I can't reasonably ask Revolut to reimburse losses that resulted from the criminal actions of third parties unless its acts or omissions unfairly resulted in Mrs L's loss. So what I have to decide is whether or not Revolut reasonably did enough to prevent, or respond to, the alleged authorised push payment (APP) fraud.

Revolut has shared relevant information with this service in confidence to allow us to discharge our investigatory functions and has provided that which is necessary for the determination of this complaint. But I'm also limited to how much of this I can share for the same reasons as Revolut. But I'd like to assure Mrs L I've carefully reviewed everything before reaching my decision.

I appreciate Mrs L may feel Revolut should refund her loss as it allowed a fraudster to open and operate an account. But an account later found to have been utilised to misappropriate funds doesn't automatically entitle the payer (victim) to a refund nor does it mean that the recipient payment service provider unreasonably failed to prevent the loss. What I need to

consider is whether at the time of opening the account Revolut ought reasonably to have known that the account being opened would later be used fraudulently. And in the circumstances of this complaint, I'm satisfied there wouldn't have been anything at the time that I think reasonably could've alerted Revolut that the account it was opening would later be used to misappropriate funds. So, I'm satisfied it didn't miss an opportunity to prevent the fraud when opening the account.

I've also considered whether there was anything prior to when Mrs L's funds were spent from the recipient account (and therefore no longer available for recovery) that ought reasonably to have alerted Revolut to the possibility of fraud and led to Mrs L's loss being prevented. However, I'm satisfied from what I've seen that I can't fairly say there was anything sufficiently suspicious here, such that Revolut ought reasonably to have been expected to have taken a level of action that might possibly have prevented Mrs L's loss in the circumstances of this case.

I'm also satisfied that Mrs L's funds were spent from the recipient account before Mrs L notified Revolut she'd been scammed. So I can't fairly say Revolut's acts or omissions were the cause of Mrs L's funds not being recoverable from the account.

I understand Mrs L will be disappointed, and I've taken on board everything she's said. However, for the reasons I've explained, I don't think Revolut unreasonably missed an opportunity to either prevent the fraud or to have recovered the funds. So I don't uphold this complaint.

My final decision

For the reasons explained, I don't uphold this complaint.

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

Neil Bridge
Ombudsman