DRN-5096948

The complaint

Mrs M complains that Revolut Ltd won't refund money she lost when she was a victim of a scam.

What happened

The background to this complaint is well known to both parties and so I'll only refer to some key events here.

In 2024 Mrs M sent payments from her Revolut account as part of a scam. Mrs M has explained that her brother-in-law, who was residing abroad, was in contact with a person (that I'll refer to as 'O') claiming to be a UK employment recruiter – working for a firm that I'll refer to as 'C'. Mrs M's brother-in-law was told by O that he'd been successful in the job application. And that he was required to pay fees along with flight and hotel costs. C led Mrs M's brother-in-law to believe he could come to the UK with his family. And the friend of Mrs M's brother-in-law was also coming to the UK for the same purpose. So, the costs totalling £8,000 were for two families.

Mrs M checked C online and found them to be a legitimate registered company. And so, under the belief it was a genuine job opportunity and to help her brother-in-law with the financial cost, Mrs M made the following payments from her Revolut account:

Transaction Date	Transaction type	Amount
2 March 2024	Fund transfer	£2,000
4 March 2024	Fund transfer	£3,000
4 March 2024	Fund transfer	£100
4 March 2024	Fund transfer	£2,900
	Total	**£8,000**

O assisted Mrs M's brother-in-law with his UK Visa application and provided what we now know to be an illegitimate Certificate of Sponsorship (COS). This came to light when the application was declined. Mrs M then reached out to O but, although he initially said a refund would be provided, it wasn't received and contact later ceased.

Mrs M reported the scam to Revolut and later raised a complaint. Revolut said they wouldn't refund Mrs M as the payment activity breached their terms and conditions – due to the purchase of a COS being illegal.

The complaint was referred to the Financial Ombudsman, but our Investigator didn't think Revolut had to do anything further. He explained the payments weren't unusual or out of character for Mrs M based on her prior account usage, nor was there a visible pattern of fraud. And so, he didn't think Revolut needed to intervene before processing the payments.

Mrs M disagreed and asked for a final decision. The matter has been passed to me to decide.

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 very aware that I've summarised Mrs M's complaint and the relevant submissions briefly. No discourtesy is intended by this, but I've focussed on what I think is the heart of the matter here. Therefore, if there's something I've not mentioned, it isn't because I've ignored it - I haven't. I'm satisfied I don't need to comment on every individual point or argument to be able to reach what I consider is the right outcome. Our rules allow me to do this, reflecting the informal nature of our service as a free alternative to the courts.

I'm sorry Mrs M has been the victim of a scam, and I don't underestimate the impact this has had on her – as I understand it is a lot of money she's lost. I can therefore understand why Mrs M is doing everything she can to recover it. But while I'm sympathetic to Mrs M's situation, I must consider whether Revolut is responsible for the loss she has suffered. I know this won't be the outcome Mrs M is hoping for, but for similar reasons as our Investigator, I don't think they are. So, I don't think Revolut have acted unfairly by not refunding the payments. I'll explain why.

In broad terms, the starting position in law is that an Electronic Money Institution (EMI) is expected to process payments that their customer authorises them to make. It isn't disputed that Mrs M knowingly made the payments from her Revolut account – albeit under the direction and guidance of O. And so, I'm satisfied she authorised them. Therefore, under the Payment Services Regulations 2017 and the terms of her account, Revolut are expected to process Mrs M's payments and she is presumed liable for the loss in the first instance.

However, taking into account the regulatory rules and guidance, relevant codes of practice and good industry practice, there are circumstances where it might be appropriate for Revolut to take additional steps or make additional checks before processing a payment to help protect customers from the possibility of financial harm from fraud.

So, the starting point here is whether the instructions given by Mrs M to Revolut (either individually or collectively) were unusual enough to have expected additional checks to be carried out before the payments were processed.

When considering this, I've kept in mind that EMIs process high volumes of transactions each day. And that 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 – as it wouldn't be practical for EMIs to carry out additional checks before processing every payment.

Here, before processing the first payment, Revolut provided Mrs M the following warning as it was being made to a new beneficiary:

> *"**Do you know and trust the 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 will never ask you to make a payment."*

Although not an insignificant sum, I think this warning was a proportionate additional check to the risk presented by the £2,000 transaction. And so, I think it was reasonable for Revolut to process the payment upon receiving Mrs M's confirmation that she wished to proceed (and understood the potential risks).

I have however given further thought to the payments made to C on 4 March 2024. These totalled £6,000 which, based on what her prior account usage, was more than Mrs M typically spent in a single day. That said, I don't consider the amounts to be disproportionately out of character for Mrs M – as transactions between about £1,000 and £2,000 weren't uncommon, and there was a single £3,000 transaction made in December 2023. It's also worth noting that that it is common for customers to make larger payments from time to time as part of normal account activity. Because of this, I don't think Revolut would've had enough reason to consider the payments – based on their value – as presenting a high risk of potential financial harm to Mrs M.

I've also thought about the frequency in which the payments were made – as the last three payments were made on a single day. Payments made in a short period of time can be a *potential* indicator of financial harm from fraud. However, in Mrs M's case, her prior account activity shows that she did, at times, make payments to the same beneficiary on the same day. Because of this, I don't think the disputed payments would've been seen by Revolut as being particularly unusual or out of character for Mrs M. Instead, I think it would've been considered in line with her normal account usage. So, in my view, the payment pattern/activity didn't present an increased risk.

In these circumstances and given, as I've said, there is a balance for Revolut to find between questioning transactions and allowing customers to use their account without unreasonable friction, I don't think Revolut would've had sufficient reason to suspect Mrs M wasn't making the payments for anything other than legitimate purposes – as the activity didn't have the typical traits of fraud or a scam.

It follows that, while there are circumstances where it might be appropriate for Revolut to take additional steps or make additional checks before processing a payment, for the above reasons, I wouldn't have expected that here. And so, I think it was reasonable for Revolut to process the payments upon receiving Mrs M's instruction(s).

I would however, for the sake of completeness, like to add that even if Revolut had carried out additional checks before processing the payments, I'm not persuaded it would've made a difference. This is because any further checks would, arguably, have been in the form of automated questions designed to narrow down the type of potential scam risk associated with the payments Mrs M was making. But here, while Mrs M would've likely informed Revolut that she was making the payments for goods/services, she wasn't being pressured into making the payments and she had carried out research on C (finding nothing of concern). And so, I don't think any further warnings provided to Mrs M associated with 'purchase' scams would've given her enough reason to question the legitimacy of C. I therefore think it's likely Mrs M would've gone ahead with the payments anyway.

It follows I don't think Revolut could reasonably have uncovered the payments were being made to a scam and prevented Mrs M's loss.

I've also considered whether, on being alerted to the scam, Revolut could reasonably have done anything to recover Mrs M's losses, but I don't think they could. The beneficiary bank has shown that the funds were removed shortly after the payments were made. And so, the funds weren't available to recover.

I have a great deal of sympathy for Mrs M as I appreciate she is the innocent victim of a scam. But I can only direct Revolut to refund her if I think they are responsible for her loss.

And for the above reasons, I don't think they are. I'm therefore not going to tell them to do anything further.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs M to accept or reject my decision before 16 September 2025.

Daniel O'Dell
Ombudsman