

The complaint

Mr P has complained about Revolut Ltd not refunding several payments he says he made and lost to a scam.

What happened

The background to this complaint is well known to both parties, and is not in dispute, so I won't repeat it in detail here. In summary, Mr P says he transferred funds to a builder to purchase materials and complete works to his property. However, he says not all the materials were purchased and the works were not completed. Instead, the builder demanded further funds to return and complete the project. In total Mr P transferred £31,405.24 to the builder. He subsequently informed Revolut he had been scammed, but it decided this was a civil dispute and it would be taking no further action.

Our Investigator didn't uphold the complaint as he didn't think that Revolut could have prevented Mr P's loss. He found that Revolut should have been concerned with the initial payment made, but he was not persuaded had it intervened that it would have stopped Mr P from still proceeding. Mr P disagreed as he believes if Revolut had completed the correct checks it would have made him stop and think if he was taking the right action, especially during the latter part of the alleged scam.

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 aware that I've summarised this complaint briefly, in less detail than has been provided, and in my own words. No discourtesy is intended by this. Instead, I've focused on what I think is the heart of the matter here. If there's something I've not mentioned, it isn't because I've ignored it. I'm satisfied I don't need to comment on every individual point or argument to be able to reach what I think is the right outcome. Our rules allow me to do this. This simply reflects the informal nature of our service as a free alternative to the courts.

Mr P has lost a large sum of money and has my sympathy for this. However, it does not mean he is automatically entitled to recompense by Revolut – even if the loss was because of fraud or a scam. It would only be fair for me to tell Revolut to reimburse Mr P for his loss (or a proportion of it) if: I thought Revolut reasonably ought to have prevented all (or some of) the payments he made, or Revolut hindered the recovery of Mr P's payments – whilst ultimately being satisfied that such an outcome was fair and reasonable for me to reach. I've thought carefully about whether Revolut treated Mr P fairly and reasonably in its dealings with him, when he made the payments and when he reported the scam, or whether it should have done more than it did. Having done so, I've decided to not uphold Mr P's complaint. I know this will come as a disappointment to him and so I will explain below why I've reached the decision I have.

I have kept in mind that Mr P made the payments himself and the starting position is that Revolut should follow its customer's instructions. So, under the Payment Services

Regulations 2017 (PSR 2017) he is presumed liable for the loss in the first instance. I appreciate that Mr P's intention was not to suffer a loss – but he did authorise these payments to take place. However, there are some situations when a bank should have had a closer look at the wider circumstances surrounding a transaction before allowing it to be made.

Considering the relevant: law and regulations; regulators' rules, guidance and standards; codes of practice; and, where appropriate, what I consider to be good industry practice at the time - Revolut should fairly and reasonably:

- Have been monitoring accounts and any payments made or received to counter various risks, including anti-money laundering, countering the financing of terrorism, and 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 payment service providers are generally more familiar with than the average customer.
- In some circumstances, irrespective of the payment channel used, have taken additional steps, or make additional checks, before processing a payment, or in some cases decline to make a payment altogether, to help protect customers from the possibility of financial harm from fraud.
- 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.

So, I've thought about whether the transactions should have highlighted to Revolut that Mr P might be at a heightened risk of financial harm due to fraud or a scam.

The initial payment Mr P made of £14,805.24 was of such a level I think Revolut should have been concerned. As highlighted by our Investigator, this payment was of a significantly higher amount than his usual account expenditure and it was to a new payee. It also left Mr P's account at a very depleted level.

However, even if I was persuaded this was a scam from the outset, I do not think Revolut could have prevented Mr P's losses. I say this because, although I do think Revolut failed to intervene, such as via its in-app chat, before allowing the payments to be made, I do not think it would have made any difference. I say this because at the time of the transfer Mr P was under the belief it was a legitimate builder he was paying for an agreed service. He had met with the builder in person, agreed specific details with him, received a quote and the account details directly from him as well. I am persuaded Mr P did believe he was paying for a legitimate service, or else he would not have been engaging with the builder, which would have impacted how he would have responded to Revolut. I do not doubt his answers would have been open and honest, but on balance I'm persuaded by doing so his answers would have alleviated Revolut's concerns and even had they given a warning it would not have resonated with him. Additionally, I've not seen any evidence to show there were any wider red flags Revolut should have been aware of. Therefore, the transaction would have been seen in the same way as Mr P saw it; an initial payment so that works could begin.

I do not think the values of the payments that followed were remarkable enough to have caused Revolut any concern. However, I'll note for completeness, even had it intervened, for similar reasons as above I am not persuaded it would have done anything more than have ascertained Mr P was paying towards a building project. On balance, I'm not persuaded that Revolut should have been concerned with Mr P's payments as they would not have appeared to be suspicious or unusual. It would also not have been for Revolut to assess and

comment on the costs involved in doing such building works. This would have been outside of their remit of expertise. Ultimately, the payments he made at this point did not have any of the common characteristics to suggest Mr P may be falling victim to fraud or a scam. So, I would not have expected it to take any further action. Or, even if it had, I don't think a warning on balance would have resonated with Mr P.

I think it's also important to highlight that there are many payments made by customers each day. It's not reasonable to expect Revolut to stop and check every payment instruction to try to prevent fraud or financial harm. There's a balance to be struck between the extent it intervenes in payments to protect customers and not unnecessarily disrupting legitimate payment instructions.

I'm very sorry to disappoint Mr P. However, I don't think Revolut could have prevented the losses he incurred. So, it wouldn't be reasonable for me to ask it to refund the payments he made.

The Contingent Reimbursement Model Code

I've noted Mr P has referenced decisions that he believes are close to his circumstances. However, we consider each case on its own individual merits and although he believes the circumstances of other decisions seem to be similar, there are key differences. One of these differences is the application of the Contingent Reimbursement Model Code. Revolut is not a signatory of it and so I cannot fairly and reasonably say it has to refund any payments under the Code when it does not apply here.

Recovery

Considering the circumstances of Mr P's case, I do not think there was any action which Revolut would have been able to take here to successfully recover his funds. Therefore, I won't be asking it to do anything further.

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 7 August 2025.

Lawrence Keath
Ombudsman