

The complaint

Mr L complains that Revolut Ltd won't refund money he lost when he 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 Mr L fell victim to task-based job scam, with a firm I'll refer to as 'UFH', that involved rating hotels. Mr L was told he would earn commission for completing sets of tasks. But as part of the scam, Mr L was required to deposit funds as an upfront payment for the commission payable.

Mr L made payments to individuals, and several to a money remittance provider (which I'll refer to as 'R'). The relevant transactions, as I understand, are:

Transaction Date	Payee	Payment Method	Amount (including fees)
25 March 2024	AT	Push to card	£49.85
26 March 2024	VB	Push to card	£45.68
26 March 2024	AK	Push to card	£23.71
26 March 2024	VB	Push to card	£84.02
27 March 2024	VB	Push to card	£109.14
27 March 2024	AV	Push to card	£25.18
28 March 2024	R	Debit card	£578.70
28 March 2024	R	Debit card	£1,469.51
1 April 2024	R	Debit card	£1,952.99
		Total	£4,338.78

Mr L realised he'd been scammed when he was being told by UFH to deposit more funds, and he couldn't withdraw his earnings.

Mr L notified Revolut he'd been scammed on 8 May 2024. And he complained to Revolut,

with the assistance of a professional representative, in June 2024 saying they didn't do enough to protect him from the scam. He wanted to be fully refunded, plus 8% simple interest and £300 compensation.

Revolut didn't uphold the complaint. Mr L referred it to the Financial Ombudsman, but our Investigator didn't think Revolut had to refund him. This was because they didn't think the payments would've been particularly unusual or suspicious to Revolut, thereby giving them enough reason to think Mr L was at risk of financial harm from fraud. So, our Investigator didn't think Revolut were at fault for processing the payments. They also didn't think Revolut could've done anything more to recover Mr L's funds in the circumstances.

Mr L didn't agree. In short, he said:

- UFH knew Revolut's security was inadequate, which is why the money went through them to avoid it being flagged.
- Had Revolut blocked his card and spoken with him, as many other account providers do, this could've prevented the scam payments being made.
- When he transferred funds from his other banking provider to Revolut, the payment was stopped for questioning. Whereas Revolut only provided one pop up box (warning) before processing the payments.
- He has been the victim of fraud and £4,000 is a significant amount of money to lose.

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 sorry Mr L has been the victim of a scam. I don't underestimate the impact it's had on him – as I appreciate it is a lot of money he has lost. I therefore understand why Mr L is doing everything he can to recover it. But while I'm sympathetic to Mr L's situation, I must consider whether Revolut is responsible for the loss he has suffered. I know this won't be the outcome Mr L is hoping for, but for similar reasons as our Investigator, I don't think they are. So, I don't think Revolut has 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 Mr L knowingly made the payments from his Revolut account – albeit under the direction and guidance of UFH. And so, I'm satisfied he authorised them. Therefore, under the Payment Services Regulations 2017 and the terms of his account, Revolut are expected to process Mr L's payments, and he 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 Mr L 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, Mr L's account was newly opened. Because of this, Revolut didn't have prior account usage available to allow them to establish whether these payments were unusual or out of character for Mr L. Nevertheless, Revolut should be on the lookout for account activity that could pose a risk of potential financial harm from fraud.

In this case, the first six payments went to three payees across a three-day period and were of a low value (all less than £110). I don't think this activity demonstrated a typical pattern of fraud. Because of this, I don't consider these payments presented a significant risk that Mr L was falling victim to a scam. Revolut did, however, provide the following warning when Mr L made the first payment to each new beneficiary:

"Do you know and trust this 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."

I think this warning was a proportionate additional check in relation to the risk presented by the payments. So, I think it was reasonable for Revolut to process the payments upon receiving Mr L's instruction that he wanted to proceed.

I've thought about the payments to R. But while these payments were of a greater value that incrementally increased (which can be a potential indicator of fraud), I don't think they were so unusual or suspicious whereby I consider they presented a heightened risk of potential financial harm. This is because they were being made to a legitimate money remittance provider and were of a relatively low value (comparative to transactions Revolut otherwise process). It's also worth noting that it is common for customers to make larger payments from time to time as part of normal account activity.

Further to this, the final payment was made four days later than the first two payments to R – and so, they weren't made in rapid succession. Nor did the payments take Mr L's account overdrawn. So, I don't think the payments, either individually or collectively, presented a pattern of activity that would've given Revolut reason to suspect 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 Mr L 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.

I appreciate Mr L has referred to his other banking provider contacting him before processing payments he made. But I'm only considering the actions of Revolut here. And for the above reasons, 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, I wouldn't have expected that here (beyond providing the warning above). At which point, I should explain this isn't because Revolut isn't a bank, but rather, it's because, as I've said, I don't think Revolut had enough reason to suspect Mr L was at risk of falling victim to a scam in these circumstances. So, I think it was reasonable for Revolut to process the payments upon receiving Mr L's instruction(s).

I've also considered whether, on being alerted to the scam, Revolut could reasonably have

done anything to recover Mr L's losses, but I don't think they could. The only possible option for recovery for the debit card payments would've been for Revolut to have attempted a chargeback against the payee – that being R. But this likely wouldn't have had any reasonable prospect of success. This is because the payments went to a legitimate money remittance provider who provided the service paid for, that being the transfer of funds. And in respect of the push to card transactions, there is no clear mechanism for a successful recall to take place. Furthermore, Mr L reported the scam to Revolut more than one month later. So, it's very unlikely that any funds would've been left to recover. I therefore don't think there was any realistic prospect of recovery for these transactions either.

It follows that, while I have a great deal of sympathy for Mr L, as I appreciate he is the innocent victim of a scam, I cannot fairly direct Revolut to refund him. For the above reasons, I think Revolut have acted fairly and so I'm 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 Mr L to accept or reject my decision before 29 July 2025.

Daniel O'Dell
Ombudsman