DRN-5254581

Financial Ombudsman Service

The complaint

Mr P is unhappy that Revolut Ltd won't reimburse money he lost to a scam.

The complaint is brought on Mr P's behalf by a professional representative.

What happened

The background to this complaint is well known to both parties, so I won't repeat everything here. In summary, Mr P has explained that between June and August 2023 he made payments from his Revolut account towards an investment which he ultimately lost to a scam.

Mr P said he saw an advert promoting the investment. He provided his details to the company and was called by the scammers shortly afterwards. Mr P was later contacted by an account manager who agreed to guide him with his investments. Mr P advised he carried out checks on the company and monitored its website for a month before investing.

Mr P was also given access to a platform. He has advised he used his Revolut account to make the following payments as part of the scam:

Payment number	Date	Type of transaction	Amount
1	22 June 2023	Card payment	£250
2	10 July 2023	Transfer	£500
3	11 July 2023	Transfer	£4,500
4	13 July 2023	Transfer	£2,000
5	17 August 2023	Transfer	£5,000
6	25 August 2023	Transfer	£2,000
		Total loss	£14,250

Mr P believed the funds were being added to his account on the scammer's platform. When he attempted a withdrawal, he was asked to pay fees and it was at this point he realised he had been scammed.

He raised a complaint with Revolut in August 2024. It investigated the complaint but didn't uphold it. It didn't think it had done anything wrong by allowing the payments to go through. So, Mr P brought his complaint to our service.

Our Investigator looked into the complaint but didn't uphold it. Our Investigator explained that Revolut had provided warnings to Mr P before releasing the payments and she thought the actions taken by it were proportionate to the risk it identified.

Mr P didn't agree, so his complaint has been passed to me for review and a final 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 disappoint Mr P, but I'm not upholding his complaint - for broadly the same reasons as the Investigator.

I've thought about the Contingent Reimbursement Model Code (CRM Code) which can offer a potential means of obtaining a refund following scams like this one. But as Revolut isn't a signatory of the CRM Code, these payments aren't covered under it. I've therefore considered whether Revolut should reimburse Mr P under any of its other obligations.

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 the payments were made, I consider it fair and reasonable 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;
- 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 the fraudulent practices are evolving and the different risks these can present to consumers, when deciding whether to intervene.

Given what Revolut knew about the payments, I've thought about at what point, if any, it ought to have identified that Mr P might be at a heightened risk of fraud. 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 accounts and questioning transactions to confirm they're legitimate.

Revolut says that when new payees were set up it provided Mr P with a warning that said:

"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."

Revolut didn't intervene on Payment 1. I'm conscious that this payment was modest so I can't see any reason for Revolut to have been particularly concerned about it. A payment of this size is unlikely to have appeared unusual to Revolut. So, I don't think this payment alone would have indicated that Mr P might be at risk of financial harm from fraud, and I think the new payee warning it presented was proportionate in the circumstances of this payment.

However, when Mr P sent Payment 2 Revolut recognised some risks with this payment and provided Mr P with advice and warnings to try and protect him from being scammed. It also confirmed it did this with two other payments Mr P sent.

As part of Payment 2 Revolut highlighted that "this transfer may be a scam". Revolut highlighted that the transfer was highly unusual and put the payment on hold. It asked Mr P if he wanted to continue making the payment. Revolut also asked Mr P what the purpose of the payment was, and he selected "investment". It then provided tailored warnings about investments.

Revolut confirmed that "Fraudsters could contact you, or you may see an advertisement online, offering you a fake – but often convincing – investment opportunity to make easy money". It also highlighted that investments will never guarantee profits or be arranged through social media and should be registered with a regulator such as the Financial Conduct Authority. Mr P found the scam company through an advert on a social media platform and he was communicating with the scammers through a messaging app, so the warnings provided should have felt relevant to his circumstances. As the warnings highlighted key features which applied to Mr P's payments, the information ought to have resonated with him, and prompted him to question the legitimacy of what he was being asked to do.

Mr P has argued that had Revolut probed him further it's likely the scam would have been uncovered. Here the payments were made across a number of weeks and weren't increasing significantly in value. They were not being sent to a cryptocurrency provider so I don't think there were any other red flags which should have prompted further questioning from Revolut before processing the payments.

In the circumstances the actions Revolut took were proportionate to the risks it identified.

Could Revolut have done anything to recover Mr P's money?

There are industry standards around attempting recovery of funds where a scam is reported.

It's possible to dispute a debit card payment through a process called chargeback, which can sometimes be attempted if something has gone wrong with a debit card purchase, subject to the relevant card scheme's rules. But I can see that Mr P didn't dispute the transactions in time to raise a chargeback claim in line with the relevant timescales.

Revolut did attempt to recover the payments sent by faster payment. One firm advised the funds no longer remained in the account and the other didn't respond to Revolut. But given the delay in reporting the scam I don't think there was any realistic prospect of recovering any of the funds that were sent. So, I'm satisfied that there was nothing further Revolut could reasonably have done to recover Mr P's payments.

I'm sorry to hear Mr P suffered a financial loss as a result of what happened. But it would only be fair for me to direct Revolut to refund his loss if I thought it was responsible – and I'm not persuaded that this was the case. For the above reasons, I think Revolut has acted fairly and so I'm not going to tell it 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 P to accept or reject my decision before 9 September 2025.

Aleya Khanom
Ombudsman