DRN-5267626

The complaint

Miss K is complaining about Revolut Ltd because it declined to refund money she lost as a result of fraud.

What happened

Sadly, Miss K fell victim to a series of investment-linked scams. Between February 2023 and February 2024, she made over 60 payments to the scams. The payments were made by card and sent to a variety of different payees. While her account statements appear to show she was able to withdraw some of the money she paid out, I understand most of it was lost to the scams.

Our investigator didn't recommend the complaint be upheld. They didn't feel the nature of the payments was such that Revolut should have identified they may be associated with fraud or questioned them further. They also didn't feel there was any other mechanism by which the payments should be refunded.

Miss K didn't accept the investigator's assessment and the complaint has now been referred to me for review.

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.

Having done so, I've reached the same overall conclusions as the investigator, and for broadly the same reasons. I haven't necessarily commented on every single point raised but concentrated instead on the issues I believe are central to the outcome of the complaint. This is consistent with our established role as an informal alternative to the courts. In considering this complaint I've had regard to the relevant law and regulations; any regulator's rules, guidance and standards, codes of practice, and what I consider was good industry practice at the time.

In response to the investigator's assessment, Miss K has referred to reports she's seen indicating that Revolut and another bank she used to make payments to the scams are among the top institutions associated with fraud. Whether or not these reports are correct, I need to consider this case on its own merits. If there are wider concerns about Revolut or any other financial business, those are issues that would need to be considered by the industry regulator, the Financial Conduct Authority (FCA).

There's no dispute that Miss K authorised these payments. In broad terms, the starting position at law is that an Electronic Money Institution (EMI)] such as Revolut is expected to process payments a customer authorises it to make, in accordance with the Payment Services Regulations and the terms and conditions of their account. In this context, *'authorised'* essentially means the customer gave the business an instruction to make a payment from their account. In other words, they knew that money was leaving their account, irrespective of where that money actually went.

There are, however, some situations where we believe a business, taking into account relevant rules, codes and best practice standards, shouldn't have taken its customer's authorisation instruction at 'face value' – or should have looked at the wider circumstances surrounding the transaction before making the payment.

Revolut also has a duty to exercise reasonable skill and care, pay due regard to the interests of its customers and to follow good industry practice to keep customers' accounts safe. This includes identifying vulnerable consumers who may be particularly susceptible to scams and looking out for payments which might indicate the consumer is at risk of financial harm.

Taking these things into account, I need to decide whether Revolut acted fairly and reasonably in its dealings with Miss K.

The payments

I must take into account that many similar payment instructions Revolut receives will be entirely legitimate. I also need to consider its responsibility to make payments promptly.

Having considered what Revolut knew about the payments at the time, I'm not persuaded it ought to have identified Miss K may be at risk of harm from fraud. The payments went to a variety of different payees, not all of which could readily be identified as being linked to investments, and they were spread out over a period of more than a year. Further, the amount of each individual payment was relatively low, with the highest being around £800.

On balance, I don't think a pattern of payments consistent with many types of known scam had begun to emerge and I can't reasonably say Revolut was at fault for processing the payments in line with Miss K's instructions.

I want to be clear that it's not my intention to suggest Miss K is to blame for what happened in any way. She fell victim to a series of sophisticated scams, each of which was carefully designed to deceive and manipulate its victims. I can understand why she acted in the way she did. But my role is to consider the actions of Revolut and, having done so, I'm not persuaded these were the cause of her losses.

Recovery of funds

I've also looked at whether Revolut could or should have done more to try and recover Miss K's losses once it was aware that the payments the result of fraud.

It's a common feature of this type of scam that the fraudster will move money very quickly to other accounts once received to frustrate any attempted recovery. Miss K didn't report the scams until some time after the payments and it's not a surprise that Revolut's attempts to get her money back from the recipient institutions weren't successful. I don't think anything that it could have done differently would likely have led to these payments being recovered successfully from the recipients in these circumstances.

Nonetheless, as the payments were card payments, I've considered whether Revolut should have tried to recover the money through the chargeback scheme. This is a voluntary agreement between card providers and card issuers who set the scheme rules and is not enforced by law. A chargeback isn't guaranteed to result in a refund, there needs to be a right to a chargeback under the scheme rules and under those rules the recipient of the payment can defend a chargeback if it doesn't agree with the request.

I'd only expect Revolut to have raised a chargeback claim if it was likely to be successful and it doesn't appear that would have been the case here. By the time the fraud was reported, the time limit for making a chargeback claim for most of the payments had expired and the card providers' rules don't generally cover payments to investments (including scam investments) in any event. I note Miss K believes the rules should be applied differently to cases where the customer has been the victim of a scam but, unfortunately from her point of view, that isn't how the scheme works.

I appreciate Miss K believes it took Revolut a long time to make a decision about pursuing chargeback claims, but these matters can take time to investigate, particularly where there are multiple payments to multiple scams. I can see from the online chat history that she was warned this might be the case.

I also note Miss K has said she knows someone who was able to recover money lost to these scams but I'm not able to comment on that here without knowing much more about the other case. Successful recovery depends a number of factors, including the method of payment. For example, payments made by money transfer rather than by card have different reimbursement rights. Also, if a fraud is reported immediately the payment is made, the chance of recovery from the recipient institution is much higher.

The above notwithstanding, Revolut did refund later payments to the one of the scams totalling over £7,000. The response to Miss K's complaint says this was done as a gesture of goodwill and it's further clarified that this was because the payments were for services that weren't provided rather than because they went directly to a scam investment.

In conclusion

I recognise Miss K has been the victim of a cruel scam and I'm sorry she lost this money. I realise the outcome of this complaint will come as a great disappointment but, for the reasons I've explained, I think Revolut acted fairly and reasonably in its dealings with her and I won't be telling it to make any further refund.

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 Miss K to accept or reject my decision before 15 September 2025.

James Biles
Ombudsman