

The complaint

Mr G complains Revolut Ltd (“Revolut”) didn’t protect him when he fell victim to a scam and didn’t do enough to recover his lost funds.

What happened

Mr G said he engaged a contractor for some redecoration works at his home. Mr G told us the works and a price were formally agreed, and he paid £4,230.43 in three payments to the contractor. Mr G said when the works were due to start the contractor informed him, he was injured, and the works were delayed. Mr G said works were further delayed and questions have been raised regarding the version of events the contractor gave Mr G on when he was injured. This, along with no works being undertaken, has led Mr G to believe he has been scammed.

Mr G raised the matter with Revolut and said its communication was poor and he felt unsupported by its response and refusal to apply the APP scam reimbursement rules to his claim. He also said he feels Revolut ought to have done more to recover his lost funds as the scammer also used Revolut.

Mr G complained to Revolut, and his complaint wasn’t upheld. Unhappy with Revolut’s response, Mr G raised the matter with the Financial Ombudsman. One of our Investigators looked into the complaint and said they weren’t satisfied Mr G had been scammed and felt the matter was more likely a civil dispute between Mr G and the contractor. Our Investigator also said they didn’t think the payments ought to have caused Revolut concern and that the actions it carried out prior to processing the disputed payments were reasonable.

Mr G didn’t agree and as an agreement could not be reached, the complaint has been passed to me for 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 hear of what’s happened to Mr G, and I understand why he feels the money should be refunded. However, I don’t find that Revolut has acted unfairly in declining his claim and deciding not to refund the money. I’ll explain why.

I would like to say at the outset that I’ve considered this case on its own merits and have summarised it in far less detail than the parties involved. I want to stress that no discourtesy is intended by this. It’s simply because my findings focus on what I consider to be the central issues in this complaint – that being whether Mr G was the victim of a scam and if Revolut is responsible for the loss he claims to have suffered.

In line with the Payment Services Regulations 2017, consumers are generally liable for payments they authorise. Revolut is expected to process authorised payment instructions without undue delay. But they also have long-standing obligations to help protect customers

from financial harm from fraud and scams. Those obligations are however predicated on there having been a fraud or scam. And so, it would only be reasonable for me to consider whether Revolut is responsible for the loss Mr G claims to have suffered if, indeed, he has been scammed. I've therefore considered whether Mr G was a victim of a scam.

Mr G believes he's the victim of a purchase scam as he's paid for goods or services which haven't been provided, and his belief is the contractor never had any intention to provide them from the outset. Having reviewed things, the matter appears to be more in keeping with a civil dispute whereby there is a disagreement between two parties, rather than a deliberate intention to deceive.

Whether someone has been scammed or the matter is a civil dispute can be finely balanced. In this instance Mr G knowingly made the payments to the contractor, so they are authorised push payments (APP). But for me to be satisfied someone has been the victim of an APP scam, I need sufficient persuasive evidence to show the customer has been dishonestly deceived about the purpose of the payments at the time they were made.

Evidence from the beneficiary bank appears to show the contractor used their account as they intended and in-line with the services they purported to provide. Which is also in keeping with what Mr G understood the contractor's work to be. Mr G said he spoke with people who work for Mr G which also suggests he was running a business as he suggested.

Based on the evidence I've seen, I'm not persuaded that Mr G has been the victim of a scam because I've not seen enough to show the contractor dishonestly deceived him about the purpose of the payments at the time they were made.

I've considered if I think Revolut ought to have done more when Mr G made the payments, and I don't believe it did. I don't think the payments suggested Mr G was at a heightened risk of financial harm. I'll explain why.

I don't think the payments were of an unusually excessive value and having reviewed Mr G's bank statements in the time before he made these payments, I believe they can be considered in-line with how he generally used his account. There are payments of similar values leaving Mr G's account prior to when these payments were made. So, I don't think the payments were suspicious in nature.

Having said that Revolut took action prior to processing the first and second payments so I've considered this. When Mr G made the first payment as it was a new beneficiary Revolut told us it displayed a warning to Mr G asking if he knew and trusted the payee and if he was unsure not to pay them. The warning also said Revolut may not be able to help him get his money back. Mr G continued past this warning. The messages between Mr G and the contractor are friendly in nature and they seem to know each other prior to this matter as there's a message from December 2023. I believe Mr G likely knew and trusted the payee which is perhaps why he moved past this warning.

When he made the second payment Revolut asked for the purpose of the payment and Mr G said he was buying or renting goods or services and was shown scam warnings in relation to the payment purpose he gave.

I think Revolut's interventions were proportionate to the risks the payments presented and it was reasonable for it to process the payments in-line with Mr G's instructions.

In any event, I think even if Revolut had have intervened further and questioned Mr G about the circumstances of the payments it wouldn't have uncovered the scam as Mr G had no cause for concern at the time the payments were made. As mentioned, Mr G seems to know

the contractor and even says to the contractor that Revolut is suspicious of him in what appears to be a joking manner. Also, it wasn't clear there was an issue when the payments were made, it only came to light when the works weren't carried out at a later date. So given at the time the payments were made neither Revolut nor Mr G would have had sufficient cause for concern, I can't see that any further intervention from Revolut would have resulted in a different outcome.

Mr G says he felt Revolut's communication was poor and it wasn't supportive. I think Revolut's communication regarding the scam claim was clear. Given the sensitive nature of a scam claim it isn't always possible for a firm to give a customer all the details they'd like.

I'm sorry to disappoint Mr G further, but I've thought carefully about everything that has happened, and with all the circumstances of this complaint in mind I don't think Revolut needs to refund his money or pay any compensation. I realise this means Mr G is out of pocket and I'm really sorry he's lost this money. However, for the reasons I've explained, I don't think I can reasonably uphold this complaint.

Recovery

I'd only expect Revolut to attempt recovery if I thought a scam had taken place, there is no obligation for it to do so otherwise. However, Revolut did attempt to recover Mr G's funds but was unsuccessful. As the disputed payments were made by transfer the chargeback scheme isn't relevant. I therefore don't think Revolut could have done more to recover Mr G's funds.

APP scam reimbursement rules came into effect from 7 October 2024. Mr G says he believes as his case was still open when the legislation took effect he should be covered by it. However, that isn't the case as the rules aren't retrospective and Mr G's payments were made prior to 7 October 2024.

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 G to accept or reject my decision before 17 July 2025.

Charlotte Mulvihill
Ombudsman