

The complaint

Mr B complains that Revolut Ltd (“Revolut”) won’t refund payments he made as part of a scam.

What happened

The background to this complaint is well known to both parties, so I won’t repeat it in detail here. But in summary, I understand it to be as follows.

Mr B was made aware of an investment opportunity with a company which traded in Forex. This company will be further referred to as ‘Company A’.

Mr B reviewed the information he received from Company A and, satisfied with what he’d seen, decided to invest. Mr B made payments of £20,000 in October 2022, £10,000 in November 2022 and £8,000 in December 2022.

In October 2023, Mr B complained to Revolut that he’d fallen victim to a scam. He complained that they failed to intervene to ensure that the payments were genuine, and that Mr B wasn’t the victim of a scam.

Revolut declined Mr B’s complaint on the basis that Mr B authorised the transactions and they provided sufficient scam warnings prior to releasing the funds. Revolut also stated that they attempted to recover Mr B’s funds from the beneficiary, which was unsuccessful. Unhappy with this response, Mr B’s complaint was referred to our service through a professional representative.

An investigator looked into Mr B’s complaint but didn’t uphold it. The investigator said that while Revolut ought to have identified that Mr B may be at risk of financial harm and done more to establish the circumstances of the payments. Even if Revolut had done this, Mr B would have still wanted to proceed with the transactions.

Mr B disagreed with the investigator’s findings. In summary, Mr B still believed that Revolut failed to meet their regulatory obligations and that intervention would’ve given him the opportunity to reconsider his actions. Mr B also felt that Revolut should’ve identified some concerning features of the investment.

As the complaint couldn’t be resolved by the investigator it has been passed to me for a 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.

Mr B has provided detailed submissions to our service in relation to this complaint. In keeping with our role as an informal dispute resolution service, I will focus here on the points

I find to be material to the outcome of Mr B's complaint. This is not meant to be a discourtesy to Mr B and I want to assure him I have considered everything he's submitted carefully.

In deciding what's fair and reasonable in all the circumstances of a complaint, I'm required to take into account 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.

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.

Here it's not in dispute that the payments were authorised, so the starting position is that Revolut isn't liable for the transactions.

There are, however, some situations where we believe that businesses, taking into account relevant rules, codes and best practice standards, shouldn't have taken their 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 interest of its customers and to follow good industry practice to keep customer's 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 Mr B.

Revolut has confirmed that it provided Mr B with written warnings prior to releasing the first payment he made as part of the scam. Given its high value and unusual appearance in comparison with the typical use of his account, I believe it would've been more appropriate for Revolut to have had a conversation with Mr B, via their in-app chat, to discuss the purpose of the payment. Had Revolut had a conversation with Mr B in this way it would've allowed them to uncover further information to determine whether he is at risk of financial harm.

The type of questions I would've expected Revolut to have asked would've included; the regulatory status of Company A, how Mr B discovered the investment opportunity, what checks had he done into Company A, and the rate of returns promised.

Mr B feels that, had appropriate questions been asked about how Company A were regulated, Revolut would've been concerned and alerted him to the risk of him being scammed. While I agree that Revolut should've asked questions about Company A's regulatory status, I don't think this would've uncovered the scam.

At the time, Company A were claiming to be authorised in Luxembourg and in the process of applying for regulation with the Financial Conduct Authority (FCA). Mr B has explained that the investment opportunity was proposed to him by an individual who did work for an FCA regulated company and that the broker being used to carry out the trades for Company A was also FCA regulated.

Though some businesses are required to be regulated by the FCA in order to carry out certain activities within the UK, it doesn't mean that any unregulated company is automatically operating fraudulently or intending to defraud its customers.

Whilst the explanation given to Mr B by Company A may appear to be unusual in comparison to other similar companies, I believe the information relating to the regulatory status of the linked parties would've lessened any concerns based solely on Company A's regulatory status. As that's the case, I don't think questioning by Revolut regarding Company A and their regulation would've led to them uncovering the scam.

Furthermore, the information referenced above also has to be considered alongside the other details Revolut could have, and perhaps should have, uncovered during the conversation with Mr B.

According to his testimony, it's clear that Mr B had carried out detailed and extensive independent research of Company A and the linked companies and individuals prior to investing. This included receiving detailed and professional documentation, meeting the individuals in person and seeing his friend receive returns on their investment. I don't think any of this information would've led to Revolut being concerned that Mr B was at risk of financial harm.

Taking everything into account, I'm not satisfied Revolut could've identified Mr B was falling victim to a scam, given its sophistication and the information available at the time of the payments. I'm also satisfied that, given the extensive research carried out by Mr B prior to the payments, that any conversation with Revolut would've led to him deciding not to continue with the payments. Because of this I can't say that Revolut missed an opportunity to prevent Mr B's loss prior to releasing the payments.

Lastly, I've considered whether Revolut did what they should have when they were made aware that Mr B had fallen victim to a scam. Despite being made aware of the scam in October 2023, Revolut contacted the beneficiary bank in December 2023. I can see from the beneficiary account information that Mr B's funds wouldn't have been recoverable even if Revolut had acted promptly on being notified. So, whilst I believe Revolut ought to have contacted the beneficiary bank sooner than they did, I can't say that it would've resulted in a return of Mr B's funds.

Based on everything I've seen, I'm not satisfied that Revolut could have, or should have, prevented the payments at the time they were being made. Furthermore, I don't think any action taken by Revolut at the time Mr B made them aware of the scam would've resulted in the return of his funds.

My final decision

My final decision is that I don't uphold this complaint against Revolut Ltd.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 22 July 2025.

Billy Wyatt
Ombudsman