

The complaint

Mr R, acting in his capacity as director of Company S, is being represented by a claims manager. He's complaining about Revolut Ltd because it declined to refund money lost as a result of fraud.

What happened

Sadly, Mr R fell victim to a cruel impersonation scam after he was contacted by a scammer on 10 September 2024 who claimed to be from Revolut's fraud department. He was told his business account was at risk of fraud and persuaded to make a transfer of £15,050.18 to an account controlled by the scammers.

Our investigator didn't recommend the complaint be upheld. He didn't think Revolut should have viewed the payment with any particular suspicion and was satisfied the warning it gave before the payment was processed was appropriate in the circumstances.

Mr R didn't accept the investigator's assessment. His representative argues the payment was out of character with previous transactions on the account and the fact it was to a new payee should have prompted Revolut to intervene and expose the fraud. It also noted that the transfer was preceded by Mr R transferring money into the account from other accounts held with Revolut.

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.

There's no dispute that Mr R authorised this payment. 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 Mr R.

The payment

I must take into account that Revolut had a responsibility to make payments promptly and that many similar payment instructions it receives will be entirely legitimate.

Having considered what Revolut knew about the payment at the time, I'm not persuaded it ought to have been especially concerned. This was a business account and a review of the previous activity shows a number of high value payments out of the account. While the larger of these were to known payees, including HMRC, a number of other still significant payments were sent to other recipients. I'm also mindful this was an isolated payment, rather than part of a rapid series of payments seen in many types of scam, and, on balance, I don't think it was particularly out of character for this account. Finally, I'm conscious that a common trait of this type of scam is for customers to be told to empty accounts but that didn't happen here as a substantial balance remained.

This notwithstanding, Revolut has confirmed the following warning was shown before Mr R was able to complete the payment as he was sending money to a new payee:

Review transfer

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.

This essentially described what was taking place and should have been enough to resonate with Mr R.

All transactions carry some risk of being connected to fraud and I have noted the comments of Mr R's representative about the fact this payment went to a new payee and was preceded by transfers from other accounts. But taking everything into account, I'm satisfied the warning that Revolut provided was a proportionate response to the risks presented by this payment and I wouldn't have expected it to intervene further.

Recovery of funds

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

I can see that Mr R did tell Revolut about the scam promptly. But 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 and it's not a surprise that Revolut's attempts to

get his money back weren't successful. In the circumstances, I don't think anything that Revolut could have done differently would likely have led to this payment being recovered.

In conclusion

I recognise Mr R has been the victim of a cruel scam and I'm sorry he 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 him and I won't be telling it to make any 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 S to accept or reject my decision before 30 September 2025.

James Biles
Ombudsman