

The complaint

Mrs S complains that Revolut Ltd won't refund money she lost when she was a victim of an impersonation scam.

What happened

The background to this complaint is well known to both parties and so I'll only refer to some key events here.

On 7 January 2025, Mrs S received a telephone call from a person, that we now know to be a scammer, who claimed to be calling from HMRC. The caller advised Mrs S that she had committed tax fraud and a lawsuit had been filed against her. The scammer said she will receive another call from the magistrate court to explain the next steps and she was given a number she would be called from and asked to verify it by visiting the official UK Government Courts and Tribunals website, which she did. Mrs S then received a second call as mentioned by the scammer pretending to be from the magistrate court and asked her to pay various fees for court proceedings, which she was told would be refunded. Believing everything to be genuine Mrs S was persuaded to send two payments, but unknown to her at the time, she was speaking to a scammer and had sent money to an online money remittance account under the control of the scammers.

Mrs S transferred money from an account she held with another banking provider, to her Revolut account, and from there she made the following payments under the instructions of the scammer:

Payment	Date	Amount
1	7 January 2025	£676.99
2	7 January 2025	£696.99
Total:		£1,373.98

Mrs S realised she had been a victim of a scam when she was asked to make further payments, and she immediately reported it to Revolut.

Revolut didn't uphold Mrs S's complaint, so the matter was referred to the Financial Ombudsman. Our Investigator didn't recommend the complaint be upheld. In summary, he didn't think Revolut had missed the opportunity to identify the payments were being made in respect of a scam.

Mrs S didn't accept the Investigator's assessment. In short, she said:

- Revolut had the opportunity to stop the transactions as they were still pending when she reported the scam to them.
- It ignored an unusual spending pattern that should have triggered a security check, as the £1,373.98, she sent to the online money remittance service was entirely out of character and highly suspicious.
- Revolut failed to identify a high-risk scam under the Financial Conduct Authority's

(FCA) Consumer Duty rules.

- And it failed to proactively pursue recovery via the chargeback process when the scam was reported.

Our Investigator added that Revolut were unable to cancel the pending card payments when the scam was reported as once the payment is processed, the funds are set aside for the merchant to collect, and it's not possible for Revolut to cancel it. The Investigator also said he didn't agree that Revolut ignored unusual spending patterns on Mrs S's account, as the amounts wouldn't have appeared unusual enough for Revolut to have intervened and make further enquiries before processing them. He also didn't think the payments Mrs S made would have indicated to Revolut that she was falling victim to an HMRC scam.

The matter has therefore been passed to me to decide.

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 aware that I've summarised this complaint briefly, in less detail than has been provided, and in my own words. No courtesy is intended by this. Instead, I've focussed on what I think is the heart of the matter here. If there's something I've not mentioned, it isn't because I've ignored it. I haven't. I'm satisfied I don't need to comment on every individual point or argument to be able to reach what I think is the right outcome. Our rules allow me to do this. This simply reflects the informal nature of our service as a free alternative to the courts.

Having done so, I agree with the outcome reached by the Investigator. I know this will come as a disappointment to Mrs S as I know these payments were made as a result of a scam and in a time of panic, so I want to explain why I've reached the decision I have.

In deciding what's fair and reasonable, I am required to take into account relevant law and regulations, regulators' rules, guidance and standards, and codes of practice; and, where appropriate, I must also take into account what I consider to have been good industry practice at the time.

In broad terms, the starting position in 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 and the terms and conditions of the customer's account.

Revolut has a difficult balance to strike in how it configures its systems to detect unusual activity or activity that might otherwise indicate a higher than usual risk of fraud. There are many millions of payments made each day and it would not be possible or reasonable to expect a payment service provider to check each one. And, in situations where Revolut do intervene, I would expect that intervention to be proportionate to the circumstances of the payment. Generally, an indication of fraud might include when a payment is made that is significantly out of keeping with the normal use of the account. When considering the individual circumstances of this case, I don't consider Revolut acted unfairly or unreasonably in allowing the payments to be made. Revolut's fraud detection systems did recognise there was an element of risk to Payment 2 Mrs S was making. In view of this it provided a warning to Mrs S at the point she was making it and asked her to confirm if she recognised the transaction, which she confirmed. And all things considered I think that Revolut did enough in providing a warning to Mrs S when she made the payment. I think, with what it reasonably knew at the time, that was a proportionate intervention and I'm not persuaded Revolut needed to do anything more.

Part of Mrs S's complaint is also that the payments were still pending when she contacted Revolut meaning they should have stopped them from being made. Unfortunately, it was already too late to stop the payments. Unlike payment transfers, which can be paused if fraud is suspected, these payments were made by card and Revolut had to make an immediate decision about whether to accept or decline them. And once accepted, they couldn't be reversed unless the merchant decided not to collect the money. During this process the payments may have been showing a 'pending' status but that didn't mean Revolut could reverse them.

I've also noted the comments of Mrs S about the Financial Conduct Authority's Consumer Duty and I've taken account of Revolut's obligations following its introduction, but I'm not persuaded this changes the outcome here. While Revolut is expected to avoid causing her foreseeable harm, I'm not persuaded its actions (or failure to act) were the cause of the harm she has suffered, nor do I think that harm was reasonably foreseeable given the information that was available to Revolut at the time she made the payments.

On a final note, I've considered whether, on being alerted to the scam, Revolut could reasonably have done anything more to recover Mrs S's losses.

The process for recovering card payments is 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. Mrs S sent money to a third-party payment processor and it completed the service asked of it, that of collecting the payment and sending it to the requested recipient. Mrs S's disagreement is with the scammers, not the payment processor, and it wouldn't have been possible for Revolut to process a chargeback claim against the scammers as she didn't pay them directly.

In the circumstances, I don't think anything that Revolut could have done differently would likely have led to Mrs S's money being successfully recovered.

I have a great deal of sympathy for Mrs S and the loss she's suffered, as I appreciate it is a significant sum of money. But it would only be fair for me to direct Revolut to refund her 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 them 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 Mrs S to accept or reject my decision before 30 December 2025.

Israr Ahmed
Ombudsman