

The complaint

Mr P is complaining about Revolut Ltd because it declined to refund money he lost as a result of fraud.

What happened

Sadly, Mr P fell victim to a cruel impersonation scam after he was contacted by scammers claiming to be from HMRC and that he owed money. In an attempt to settle this fake debt, he made a payment of £993.19 from his Revolut account on 13 December 2024. The payment went to the scammers via a third-party payment processor. He also made a payment to the scam from an account with his bank.

Our investigator didn't recommend the complaint be upheld. He didn't think Revolut should have viewed the payment as suspicious such that it should have been declined. And he didn't believe there was any other mechanism by which Revolut was required to provide a refund.

Mr P didn't accept the investigator's assessment and made the following key points:

- His bank has refunded the money he paid to the scam and Revolut should operate under the same rules.
- If it's correct that the first payment didn't appear suspicious, why did Revolut block a second payment he tried to make a few minutes later?
- If Revolut did identify the second payment as suspicious, why did it not go back and block the first payment as well.
- He's provided various links outlining the security that Revolut offers to its customers, which he believes are misleading. These include a claim that all customers are protected through the FSCS for up to £85,000.

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.

Before I go any further, there are some issues I think it would be helpful to clarify and that may help Mr P understand why he's received some of the responses he has.

- Mr P has referred to the Contingent Reimbursement Model (CRM) Code. This was actually a voluntary code and Revolut didn't sign up to it. But that's not relevant here as the Code was replaced in October 2024 by a mandatory reimbursement scheme that applies to all payment services providers, including Revolut. This is the scheme Mr P's bank referred to in its letter of 16 December 2024 confirming his refund.

Unfortunately for Mr P, this scheme only covers payment transfers. It doesn't cover payments made by card so it's not relevant to this complaint. I haven't been able to verify this from the information provided, but I can only assume the payment Mr P made from his bank was a transfer and that's why he was entitled to a refund under the scheme.

The method for recovering disputed card payments is the chargeback scheme. This is a voluntary agreement between card providers and card issuers who set the scheme rules and it's 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.

I'd only have expected Revolut to raise a chargeback claim if it was likely to be successful and it doesn't appear that would have been the case here. This is because of the way the payment was authorised and the fact it actually went to a payment processor that did provide the service requested of it, that of accepting the payment and passing it on to the final destination.

It's for these reasons that Mr P has no automatic entitlement to a refund.

- The Financial Services Compensation Scheme (FSCS) does cover UK account holders for up to £85,000, including Revolut account holders. But this cover is intended to protect consumers in the event that a financial services firm fails, which effectively means it going out of business. Its purpose is not to protect individual customers from losses resulting from fraud and scams.
- I think it's also relevant to explain that the Financial Ombudsman Service is not the industry regulator and we don't write the rules for financial businesses or have powers to fine or punish businesses where these aren't followed. This is the role of the Financial Conduct Authority (FCA). Our role is instead to consider individual disputes and reach what we believe is a fair and reasonable conclusion in the specific circumstances of each case.

I note Mr P has provided examples of information he's found that he believes is misleading about Revolut's security practices but that's not something I'm able to consider in addressing his complaint.

Turning to the issues that I can consider, there's no dispute that Mr P authorised the above 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 that 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 P.

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

From Mr P's account of events, it appears he provided his card details to the scammer who used them to set up the payment. Having considered what Revolut knew about the payment at the time it received this instruction, I'm not persuaded it ought to have been particularly concerned about it. The payment was routed through a legitimate third-party processor and the amount involved was relatively low. It was also an isolated payment, meaning a pattern of activity consistent with many known types of scam hadn't begun to emerge. With these points in mind, I don't think there were sufficient grounds for Revolut to suspect Mr P may be at risk of harm from fraud and I can't reasonably say it was at fault for processing the payment in line with the instruction it received.

A few minutes later, a second payment for a similar amount was attempted. The fact a second payment was being attempted so soon after the first should have seemed unusual and caused Revolut to suspect Mr P may be falling victim to a scam. Revolut appears to have recognised this risk and rejected the payment. Unfortunately, it was already too late to reject the first payment by this time. For card payments, Revolut needs to make a decision on whether to accept or reject them immediately and the decision had already been taken to accept the first payment.

In conclusion, I don't find that Revolut was at fault for the above payment being allowed to leave Mr P's account. In addition, I don't think it was under any obligation to refund this money or that there were any other routes it could reasonably be expected to follow to attempt to recover his money.

I want to be clear that it's not my intention to suggest Mr P is to blame for what happened in any way. He fell victim to a sophisticated scam that was carefully designed to deceive and manipulate its victims. I can understand why he acted in the way he did. But my role is to consider the actions of Revolut and, having done so, I'm not persuaded these were the cause of his losses 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 Mr P to accept or reject my decision before 3 September 2025.

James Biles
Ombudsman