

## **The complaint**

Mr T complains that Revolut Ltd won't refund money he lost when he was a victim of a scam.

## **What happened**

The background to this complaint is well known to both parties, so I won't repeat what happened in detail.

In September 2024, Mr T found a property online which he was keen to rent, so he contacted the person who was advertising the property on an instant messenger app, who we now know to be a scammer.

The scammer told Mr T in order to rent the property he would need to pay an initial deposit of £215 and then the remaining balance of £1,495 in order to secure the property. Mr T was able to visit the property for a viewing, and was presented with a tenancy agreement, so he believed the rental opportunity was genuine and made both payments.

After making the payments, Mr T arranged to meet the scammer at the property. However, the scammer didn't show up and subsequently ended all further contact with Mr T. At this point, Mr T realised he had been a victim of a scam and reported it to Revolut.

Revolut didn't uphold the complaint, and in short said the following:

- They initially stopped each payment as the payments were being made to new beneficiaries and Mr T was asked to confirm if he knew and trusted the payee? He was also told not to pay them if he was unsure. Mr T acknowledged the warnings and decided to continue with both transfers.
- They regularly inform customers about scams and prevention tips, through emails and blog posts.
- Both payments were authorised by Mr T, so they were simply just following his instructions.
- Once they were made aware of the scam, they reached out to the beneficiary banks. However, they only received a response from one of the beneficiaries who confirmed only £2.22 remained, which has been returned to Mr T.

Mr T was unhappy with the response from Revolut, so he referred his complaint to the Financial Ombudsman Service.

Our Investigator explained although she recognised Mr T made the payments because of fraud, based on the information provided she didn't feel Revolut should reasonably have been expected to prevent this. She said the payments wouldn't have looked unusual or suspicious enough for Revolut to intervene beyond providing the new beneficiary warnings, as the payments weren't large enough to put Revolut on notice that Mr T was at risk of financial harm. The Investigator also said the payments Mr T made weren't out of character for how he was operating his account and as the payments were spread out over a few days, they didn't follow a particular fraud pattern.

The Investigator agreed Revolut had done all they could to try and recover the first payment once they had been informed of the scam. But she wasn't initially satisfied with the information Revolut provided in relation to their recovery attempts for the second payment. So, she asked Revolut to refund the second payment of £1,495.

Subsequently, Revolut provided additional evidence to show all efforts were made to recover Mr T's funds once they were informed about the scam on both payments. The Investigator also received information directly from the beneficiary bank for the second payment to show only £2.22 was available for recovery when the scam was reported by Mr T to Revolut, so she changed her opinion and didn't uphold Mr T's complaint.

Mr T asked for an Ombudsman to make a final decision, so the complaint has 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 sorry Mr T has been the victim of a scam and I don't underestimate the impact this has had on him. But while I'm sympathetic to Mr T's circumstances, I must consider whether Revolut is responsible for the loss he has suffered. I know this won't be the outcome he was hoping for but, for similar reasons as our Investigator, I don't think they are. I'll explain why.

In broad terms, the starting position in law is that an electronic money institution (EMI) is expected to process payments that their customer authorises them to make. It isn't disputed that Mr T knowingly made the payments from his account – albeit under the direction of the scammer – and so, I'm satisfied he authorised them. Therefore, under the Payment Services Regulations 2017, and the terms of his account, Revolut are expected to process Mr T's payments and he is presumed liable for the loss in the first instance.

But, taking into account relevant law, regulators rules and guidance, relevant codes of practice and what I consider to have been good industry practice at the time, I consider it fair and reasonable in September 2024 that Revolut should:

- have been monitoring accounts and any payments made or received to counter various risks, including preventing fraud and scams;
- have had systems in place to look out for unusual transactions or other signs that might indicate that its customers were at risk of fraud (among other things). This is particularly so given the increase in sophisticated fraud and scams in recent years, which firms are generally more familiar with than the average customer;
- have acted to avoid causing foreseeable harm to customers, for example by maintaining adequate systems to detect and prevent scams and by ensuring all aspects of its products, including the contractual terms, enabled it to do so;
- in some circumstances, irrespective of the payment channel used, have taken additional steps, or made additional checks, or provided additional warnings, before processing a payment;
- have been mindful of – among other things – common scam scenarios, how the fraudulent practices are evolving and the different risks these can present to consumers, when deciding whether to intervene.

Ultimately, I need to decide if the payments were unusual enough to have expected additional checks to be carried out before they were processed. When considering this, I've kept in mind that EMI's such as Revolut process high volumes of transactions each day, and that there is a balance to be found between allowing customers to be able to use their account and questioning transactions to confirm they're legitimate.

Mr T had held an account with Revolut since April 2024; prior to the scam payments made in September 2024. He was asked about the purpose of his account at account opening, and he selected "*transfers*" amongst other purposes Mr T seemed to have been using the account as a regular everyday account which included payments towards, food, travel and other every-day essentials.

The payments made in relation to the scam were simply not of a value where I'd expect Revolut to be concerned that he was at a heightened risk of financial harm. Additionally, a customer making some larger payments, compared to their usual spending is not uncommon, so I wouldn't have expected Revolut to intervene on the payments because of this.

When Mr T attempted to make the payments in question, the payments were flagged by Revolut's system and Mr T was asked to confirm if he wanted to go ahead with the transfers via the following question:

**"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."*

Mr T decided to continue with the payment.

I'm satisfied the online scam warning Revolut presented was appropriate and proportionate to the risk identified by Revolut at the time. I don't think the payments in question were unusual or suspicious enough whereby I would have expected Revolut to have intervened further. So, I don't think I can fairly conclude Revolut was at fault for processing the payments in line with Mr T's instructions.

### *Recovery*

There are industry standards around attempting recovery of funds where a scam is reported. So, I've also thought about whether Revolut could have done more to recover the funds after Mr T reported the fraud.

Revolut should have attempted recovery of the funds sooner than they did. However, I can see that it wouldn't have made a difference here. This is because one of the beneficiary banks didn't respond to Revolut's attempts to recover the funds. And most of the funds from the other beneficiary bank had already been moved out of the account before Mr T reported the scam to Revolut. And what was left has since been returned to Mr T.

I know this outcome will be very disappointing for Mr T and I have a great deal of sympathy for the loss he has suffered. But it would only be fair for me to direct Revolut to refund his loss if I thought they were responsible for it. For the reasons I've explained, I don't think Revolut are.

### **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 T to accept or reject my decision before 7 July 2025.

Israr Ahmed  
**Ombudsman**