

The complaint

S complains that Revolut Ltd won't refund the money it lost when it was the victim of what it feels was a scam.

What happened

S is a limited company that deals in the sale of luxury fashion goods. In March 2024, it agreed with another fashion company to purchase a handbag and so made a payment of £13,986 from an account it holds with another bank to a Revolut account held by the other company.

Unfortunately, the handbag was never delivered to S, and the other fashion company didn't provide a full refund. So S then reported the payment it had made to Revolut as a scam and asked it to refund the money it had lost.

Revolut investigated but said it had taken all the necessary steps and carried out appropriate checks when the account was opened. So it didn't agree to refund the money S had lost. S wasn't satisfied with Revolut's response, so referred a complaint to our service.

One of our investigators looked at the complaint. They didn't think there was enough evidence to say S had been the victim of a scam. And, even if it had been a scam, they didn't think Revolut had missed an opportunity to prevent S' loss. So they didn't think Revolut needed to take any further action. S disagreed with our investigator, so the complaint has been passed to me.

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 don't think it would be fair to require Revolut to refund the money S has lost here. I'll explain why below.

I understand the bank S holds an account with has argued that the circumstances here are a civil dispute between S and the other fashion company, rather than a scam. But I haven't commented on this here as, even if the circumstances here were deemed to be a scam, I still don't think it would be fair to require Revolut to refund the money S has lost. And so this wouldn't affect the outcome of the complaint.

I understand that this will be disappointing to S' directors, and I appreciate that they feel S has been the victim scam. But, unfortunately, being the victim of a scam doesn't automatically entitle a customer to a refund from the bank the money was sent to.

In order for me to fairly ask Revolut to refund the money S lost I'd need to be satisfied that there was some error or failing by Revolut which led to S' loss. But I'm not satisfied that is the case here.

Revolut has shared information with this service in order to allow us to investigate S' complaint. S has asked to see some of this information, but I am limited in what I can share with it. However, I can assure S' directors that I have carefully reviewed all the information provided before issuing this decision.

Revolut hasn't sent us evidence of all the checks it completed when the account S sent the money to was opened. But from what I've seen, it subsequently contacted the account holder and was provided with all the information it would have needed to correctly follow its account opening procedures and carry out checks to verify the identity of the account holder, in line with its regulatory obligations. So even if Revolut didn't carry out the correct checks when the account was opened, if it had carried out the correct checks, I'm satisfied the account holder would have been able to provide all the necessary information – as they subsequently did.

If Revolut had correctly followed its account opening procedures and met its regulatory obligations to verify the identity of the account holder, I think it would have been provided with the necessary information to satisfy those checks. And so any potential failing on Revolut's part when the account was opened has not led to a missed opportunity to prevent the loss S suffered at that time.

I also don't think Revolut failed in its monitoring of the account the money was sent to. I've seen statements showing the activity on the account, which I think was in line with what would be expected of an account of this nature. And I don't think there was anything obviously erratic or too concerning about the pattern of incoming payments or spending from the account where I'd expect Revolut to have blocked the account before the money S sent was spent from the account.

Finally, I've considered Revolut's actions once it was notified of the scam. But from what I've seen, the money S sent had all been removed from the account it was sent to before Revolut was made aware of the scam. And so nothing I would reasonably have expected Revolut to have done would have led to any more of S' money being recovered.

S has said the fact the money was removed suggests a lack of monitoring and intervention from Revolut. But, as I explained above, I don't think there was anything particularly concerning about the incoming payments or spending from the account. So I don't think this suggests a lack of monitoring or intervention, just that it was reasonable for Revolut not to have intervened here.

S has argued that Revolut should be required to meet the standards set out in the Lending Standards Boards Contingent Reimbursement Model (the CRM code), as it represents best industry practice. But the CRM code is a voluntary code, and Revolut is not a signatory of it. So I don't think it would be fair to require it to meet the standards set out in the CRM code.

S has also mentioned that Revolut was sent information about the winding up of the other fashion company and should have seen strike-off notices registered against it. But the involuntary strike-off notices were all registered after the account was opened. And the information S is referring to was sent to Revolut after the payment S made. So I don't think it's unreasonable that this information didn't affect the action Revolut took.

I'm very sorry to hear of what has happened to S and I appreciate that this outcome will come as a disappointment to its directors. But, for the reasons I've set out above, I don't think anything I would've expected Revolut to do would have prevented S' loss or recovered its money. And so I don't think it would be fair to require it to refund the money S lost.

My final decision

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask S to accept or reject my decision before 27 June 2025.

Alan Millward
Ombudsman