The complaint

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

What happened

Sadly, Mr A fell victim to a cruel impersonation scam. He was contacted by scammers who claimed to be from HMRC and who said he needed to pay money he owed immediately or he faced prison and his family could be deported. Mr A says he believed the scammers were genuine because they called from a genuine HMRC number that had been spoofed and he'd also received a letter from HMRC a few weeks earlier about money he owed.

Mr A used his existing Revolut account to make 13 card payments totalling around £6,000 to the scam on 15 October 2024, the lowest was for £321 and the highest for £606. The payments were sent to accounts controlled by the scammers via two third-party payment processors.

Our investigator didn't recommend the complaint be upheld. While he felt Revolut should have done more to intervene in the series of payments, he didn't think this would have prevented Mr A from wanting to continue with them.

Mr A didn't accept the investigator's assessment. He says Revolut should have had systems in place to allow it to detect fraud in real time and that if it had contacted him about the payments, the scam would have been stopped. He also believes Revolut should have done more to help recover his money when he reported the scam very shortly after the payments were made.

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 A authorised these payments. 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 A.

The payments

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

Having considered what Revolut knew about the initial payments at the time, I'm not persuaded it ought to have been especially concerned. In particular, I'm mindful the amounts involved were relatively low and they were being sent via a legitimate payment processor. In the circumstances, I can't reasonably say it was at fault for processing them in line with Mr A's instructions.

I agree with Mr A's suggestion that Revolut should have had systems in place to detect potential fraud and it did. As I would have expected, these systems detected potentially suspicious activity as the sequence of payments continued and Revolut then began to take steps designed to protect him.

Revolut declined a number of attempted payments and each time took Mr A through a series of steps before he could unblock the merchants to make further payments. These interventions required him to answer some questions about the payments he was making. Unfortunately, Mr A didn't answer all of these questions correctly, for example saying he wasn't being pressured to make them and that he was transferring money to another account that he controlled.

Nonetheless, Revolut identified he could be falling victim to an impersonation scam and he was shown various warning screens setting out some of the key features of this type of scam. These warned that scammers can pretend to be calling from legitimate financial institutions, including impersonating their telephone numbers, and also that they will tell victims to ignore its warnings. Mr A doesn't dispute that these warnings were shown but says he was told by the scammers to ignore them and was repeatedly warned about the consequences for him and his family if he didn't make payment.

I've thought carefully about the risks these payments presented and, on balance, I think the intervention process Revolut has outlined was a proportionate initial response to those risks once the possibility of fraud was identified. As the payments continued further, I think there are grounds for believing it should have gone further and contacted Mr A directly to try and find out about the circumstances surrounding the payments, most likely by requiring him to speak to one of its agents using the in-app chat function.

But I'm not convinced this type of intervention would have prevented Mr A from wanting to continue with the payments. In saying this, I'm mindful that he was on the telephone with the scammers throughout the process of making the payments and they'd already guided him on how to answer Revolut's questions and convinced him to ignore its scam warnings. The scammers were threatening severe consequences for him and his family if he didn't make the payments they were requesting and, entirely understandably in the circumstances, he went along with what he was being told. Mr A has also explained why he believed the scammers were genuine, including that they appeared to have called from a HMRC number and he'd received a letter from HMRC about money owed previously.

Taking everything into account, I'm not persuaded an online conversation with a Revolut agent would have been sufficient to break the hold over Mr A that the scammers had achieved. I think the most likely outcome is that they'd have continued guiding him on how he should respond to any further questions and that, in the belief the scammers were genuine and out of fear of the consequences of not following their instructions, he wouldn't have heeded any further warnings given.

I want to be clear that it's not my intention to suggest Mr A 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.

Recovery of funds

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

Mr A realised he'd been scammed very shortly after he came off the phone to the scammers and he notified Revolut immediately. 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.

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. Mr A 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. Mr A'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 he didn't pay them directly.

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

In conclusion

I recognise Mr A 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 don't think any further intervention by Revolut would have made a difference to the eventual outcome 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 A to accept or reject my decision before 6 October 2025.

James Biles
Ombudsman