DRN-5467542

The complaint

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

What happened

Mr L held an existing account with Revolut. On 11 October 2023, he made two transfers for £4,000 and £2,000 to a company he believed would provide recruitment services. After a few months without receiving what he'd paid for, he concluded this was a scam and reported the matter to Revolut.

Our investigator didn't recommend the complaint be upheld. They felt Revolut had taken appropriate steps to enquire about the reason for the payments and to provide warnings about scams that related to the answers it was given.

Mr L didn't accept the investigator's assessment. He's explained that he made another payment to the same company from an account with his bank and it was able to recover part of that money and refunded the rest, accepting it could have done more to stop the payment. He says the payments were unusual for his account and Revolut should also have done more to stop them in the first place and then to recover his money when he notified it that he thought he'd been scammed..

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 L 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 L.

The payments

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

Nonetheless, the first payment of £4,000 was significant and it appears Revolut did recognise Mr L may be at risk of harm from fraud. Before the payment was finalised, it took him through an in-app intervention, which it explained was to protect him from a potential scam.

I've thought carefully about the sort of intervention that should have been carried out. In my view, a proportionate response to the risks the payment presented would have been for Revolut to ask questions about the purpose so it could identify the type of scam that might be taking place and provide relevant warnings tailored to that type of scam. I'm broadly satisfied that's what happened in this case.

Mr L was asked to confirm the reason for the payment. From a list of options that included buying goods or services, he selected that he was paying a family member or friend. In response to further questions, he said he was repaying them for a purchase made on his behalf and that he'd obtained their bank details face to face. Based on this information, Revolut concluded Mr L could be falling victim to an impersonation or romance scam and showed him relevant warnings tailored to these types of scam.

The effectiveness of any fraud intervention is dependent to some extent on the consumer providing accurate information about the payments they're making. Based on his description of events, the answers Mr L gave don't appear to have been consistent with the actual reasons for the payment. If he'd said he was purchasing goods or services, I'd have expected Revolut to have shown more relevant scam warnings that may have prompted him not to continue with the payment. It's not clear why Mr L chose to answer in this way, but I don't think Revolut had any particular reason to doubt what he was saying and the fact he did so means that opportunity was lost.

It doesn't appear that Revolut questioned the second payment later on the same day. But the amount was much lower and it had already carried out an appropriate intervention on a payment to that payee, so I don't think a further intervention was warranted at this stage. And even if Revolut had taken Mr L through a similar process, I've no reason to think the outcome would have been any different.

I want to be clear that it's not my intention to suggest Mr L is to blame for what happened in any way. 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.

I note Mr L says his bank has accepted it could have done more to prevent the payment but this decision is about Revolut's actions and it's not appropriate for me to comment on the actions of another business here. His bank was entitled to reach its own conclusions about the adequacy of any intervention it carried out (if indeed it did question the payment made) and I'm obviously pleased for Mr L that he was able to get at least some of his money back.

Recovery of funds

I've also looked at whether Revolut could or should have done more to try and recover Mr L's losses.

Mr L didn't tell Revolut that he thought he'd been scammed until several months after the payments were made. In cases of fraud its common practice for the fraudster to move money very quickly to other accounts once received to frustrate any attempted recovery. In this case, Revolut has shown it contacted the recipient institution and that it confirmed none of the funds remained. In the circumstances, I don't think anything that Revolut could have done differently would likely have led to any recovery after this period of time.

I note Mr L has said that his bank was able to make a partial recovery. But again I can't comment directly on the bank's action directly here and, in any event, it doesn't change my view that Revolut has demonstrated it made appropriate efforts to get his money back.

In conclusion

I'm sorry Mr L appears to have lost this money and I realise the outcome of this complaint will come as a great disappointment. But, for the reasons I've explained, I think Revolut acted fairly and reasonably in its dealings with him 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 X to accept or reject my decision before 2 September 2025.

James Biles
Ombudsman