

The complaint

Company R complains that Revolut Ltd is holding it responsible for a transaction it made as part of a scam. R is also unhappy that Revolut allowed the transaction to be processed without intervention.

A legal representative is bringing this complaint on R's behalf. But, for ease, I'll refer to R throughout this decision.

What happened

The circumstances of this complaint are well known to both parties, so I will not repeat them all again here in detail. But I will provide an overview of events below.

In the summer of 2023 R was created to import and distribute goods. R travelled abroad to meet various suppliers including a representative from one merchant (scammer). Negotiations took place over several weeks and an agreement was reached to purchase units from the scammer. In October 2023 R made a payment of £18,192.35 (with a £20 fee) to the scammer. Contact remained with the scammer, but R became concerned when shipping documentation wasn't provided. R then learned that the scam merchant had been dissolved. So, he made a claim to Revolut. But Revolut said it didn't do anything wrong, so it didn't offer R a refund. Unhappy with that response R brought its complaint to this service.

Our Investigator didn't think the complaint should be upheld. He said that Revolut should've done more than provide a warning here and it should've invited R into the in-app chat to discuss the payment, but he didn't think the scam would've more than likely been uncovered.

R disagreed and asked for an Ombudsman's review. In summary it said the price was far cheaper than it should've been, the seller wasn't established, the goods hadn't been seen, and communication took place over a messaging platform which were clear red flags for Revolut.

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 agree with the conclusions reached by our Investigator, and for largely the same reasons. I'll explain why.

But first, I would like to say at the outset that I have summarised this complaint in far less detail than the parties involved. I want to stress that no discourtesy is intended by this. If there is a submission I've not addressed; it isn't because I've ignored the point. It is simply because my findings focus on what I consider to be the central issues in this complaint. In line with the Payment Services Regulations 2017 (PSRs), consumers are liable for payments they authorise. Revolut is expected to process authorised payment instructions without undue delay.

The PSRs explain that authorisation depends on whether the payment transaction was authenticated correctly and whether the consumer consented to it. If a consumer has permitted a third party to appear as if they have the consumer's authority to make payment transactions (by way of *apparent authority*), those payment transactions will likely be authorised even where the consumer didn't ask the third party to make any payments or know about them.

It's not in dispute that R authorised the transaction and authenticated it when making the payment on the Revolut app. So, I've gone on to think about whether Revolut should've intervened in the transaction. There are some situations in which an Electronic Money Institute (EMI), such as Revolut, should reasonably have had a closer look at the circumstances surrounding a particular transfer. For example, if it was particularly out of character or suspicious.

The account was newly opened in September 2023 and R told Revolut that one of the reasons for using the account was to pay suppliers and employees. With that in mind, I think a proportionate response would've been for Revolut to have stopped the transaction, given the size and destination of the payment, and to have asked R why it was making it. But, like the Investigator, I don't think the scam would've been uncovered.

I've considered the points R has made about the red flags that would've potentially been discussed by Revolut and R, after some probing questions had been asked. But although the price was apparently cheaper than usual, I don't agree with R that it is up to Revolut to complete another level of business research on R's behalf. I'd expect Revolut to ask probing questions and display warnings to R about the price (if it was too good to be true), whether the seller could be trusted and whether R had met them in person. But if such warnings had been provided, I think R would've told Revolut that he knew the seller as they had met abroad and that he had seen sales documentation (such as invoices and the packing list). As a result of that information, I don't think Revolut would've unreasonably allowed the payment to go ahead. R was happy with its own research and the fact it had met the seller. And although, he hadn't seen the actual product there were logistical issues in doing so with the 'factory' being abroad. However, I note that he did see examples and video evidence of the products.

As a result of the above, I'm not satisfied there were sufficient warning signposts that Revolut could've found during an in-app chat so that the scam would've more likely than not been uncovered. This was a sophisticated scam which entailed R travelling and meeting the seller abroad. And I wouldn't expect the level of research R has suggested to have been conducted by Revolut at the time of the payment. I think on balance R was happy with the conversations it had with the scammer and the evidence if had been provided with before making the transaction. So, I'm not satisfied any warnings provided by Revolut would've more than likely stopped R from wanting to go ahead and make the payment. As a result, I'm not going to ask Revolut to offer a refund for the transaction.

Recovery

R raised the scam with Revolut in November 2024 which was over a year after the transaction was made. Revolut attempted to recover the money but never received a response which is common for international transactions. After such a long time I wouldn't expect the money to still be in the receiving account. Scammers more often than not move the funds they receive very quickly.

So, I'm not going to ask Revolut to do anything more here.

My final decision

For the reasons set out above, my final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask R to accept or reject my decision before 12 December 2025.

Mark Dobson
Ombudsman