

The complaint

Ms K complains that Revolut Ltd won't refund money she lost when she was a victim of an impersonation scam.

What happened

The background to this complaint is well known to both parties and so I'll only refer to some key events here.

On 24 January 2025, Ms K received a telephone call from a person, that we now know to be a scammer, who claimed to be calling from HMRC. The caller advised Ms K that she had committed tax fraud in relation to a £980 outstanding tax bill. And to avoid being arrested and sent to prison, she would need to pay various fees under a special scheme, which would then be refunded back to her within two hours.

Ms K used her existing Revolut account to make nine card payments totalling £13,774 via a mobile money remittance service. And a further seven card payments totalling £2,400 via a genuine crypto exchange provider, which was then forwarded onto the scammer. In total, Ms K paid the scammer £16,174 in fees to avoid further action being taken against her by HMRC. Ms K realised she had been a victim of a scam when the scammer asked her to make a further payment of £5,500, so, she reported the matter to Revolut.

Revolut didn't uphold Ms K's complaint, so the matter was referred to the Financial Ombudsman. 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 Ms K from wanting to continue with them.

Ms K didn't accept the Investigator's assessment. In short, she said:

- She wasn't able to properly process the warnings provided by Revolut as she was being told by the scammer to respond in a particular way in a very pressurised situation.
- Revolut and banks are aware of such tactics being used by the scammers, so it can't rely on such warnings.
- Revolut should have put a freeze on her payments when their systems was triggered so many times and the payments were so unusual. And not to do so was grossly negligent.

Our Investigator added that although he appreciates how convincing scammers can be, based on the responses Ms K provided to Revolut's automated questions, it was satisfied she was in control of her funds and no fraud was taking place. The Investigator also said Revolut wouldn't have visibility of the account details Ms K was sending the payments to, so it wouldn't have known in real time the information she was providing it was incorrect. So, he wasn't persuaded that even if Revolut had carried out further checks this would've made a difference.

The matter has therefore 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 Ms K has been the victim of a scam and I don't underestimate the impact this has had on her. But while I'm sympathetic to Ms K's circumstances, I must consider whether Revolut is responsible for the loss she has suffered. I know this won't be the outcome Ms K is hoping for but, for similar reasons as our Investigator, I don't think it is. And so, I don't think Revolut has acted unfairly by not refunding the payments. I'll explain why.

Firstly, I've thought about the Contingent Reimbursement Model (CRM) code which can offer a potential means of obtaining a refund following scams like this one. But as Revolut isn't a signatory of the CRM code, these payments aren't covered under it. So, I cannot fairly require Revolut to adhere to the terms of an entirely voluntary APP scam reimbursement scheme (the Lending Standards Board's CRM Code) to which it was not a signatory. I've therefore considered whether Revolut should reimburse Ms K under any of their other obligations.

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 Ms K knowingly made the payments from her account – albeit under the direction of the scammer – and so, I'm satisfied she authorised them. Therefore, under the Payment Services Regulations 2017 and the terms of her account, Revolut is expected to process Ms K's payments and she is presumed liable for the loss in the first instance.

However, taking into account the regulatory rules and guidance, relevant codes of practice and good industry practice, there are circumstances where it might be appropriate for Revolut to take additional steps or make additional checks before processing a payment to help protect customers from the possibility of financial harm from fraud.

Here, Revolut carried out further checks on two of the transactions, undertaking a fraud risk assessment, on payment four for £498, and payment 12 for £500. Revolut explained to Ms K that the transactions had been flagged by their system as a potential scam and that, to continue, it needed to ask her some questions. Revolut directed Ms K to answer truthfully and warned that if she was being scammed, the fraudster might ask her to hide the real reason for this payment. Ms K confirmed that she understood she may not get her money back if she did not answer the questions truthfully.

Revolut asked Ms K questions that included:

“Is anyone pressuring you to make this transfer?

If you are being told what to say, or that you need to act quickly, this may be a scam.”

Ms K selected “No, I am completing this transaction by myself” and selected “continue”.

“If someone is telling you to ignore these warnings, they're a scammer. Only continue if you're sure nobody is pressuring you to make a payment.”

Ms K again selected “continue”.

“Why are you making this transfer?

We'll only use this information to help protect your account”

Ms K selected *“I’m transferring money to my other account”* and then on the next screen said, *“My investment account”*. This prompted subsequent questions from Revolut relevant to this scam risk. Revolut also provided educational stories – tailored to the selected payment purpose – that included:

“This could be an impersonation scam.

STOP. Fraudsters pretend to be financial institutions and panic you to act fast”.

“Be wary of unexpected calls.

Clever scammers can impersonate bank agents and phone numbers. If in doubt, hang up and contact the bank yourself”.

“Never ignore these warnings.

Scammers will tell you to ignore warnings. If you’ve been told to ignore these red flags raised, then stop, it’s a scam”.

I’m satisfied Revolut’s questions were clear and unambiguous. I similarly consider that Revolut made it clear to Ms K that she should answer their questions truthfully, as well as warning that a fraudster might ask her to hide the real reason for the payment. Despite this, Ms K selected *“I’m transferring money to my other account”* as the purpose of the payments flagged – which, naturally, generated scam warnings associated with that type of risk and so it wasn’t particularly relevant to Ms K’s circumstances. Nor did Ms K tell Revolut that she was being assisted throughout the questionnaire – even though the scammer was telling her what payment purpose to select.

I’ve noted Ms K’s point that EMIs shouldn’t take customers words at face value but, instead it should delve deeper into whether the customers answers match the payment journey. And that here, the payment purpose Ms K provided wouldn’t have matched up as the account the payment was being sent to was not in her name. I agree that EMIs shouldn’t necessarily take a customer’s instruction at face value, but it should consider the wider circumstances of a payment and the potential risks associated with it to be able to appropriately protect their customers. However, as Revolut would not have had confirmation of payee match of the beneficiary account holder at the time the payment was made, I’m not persuaded it would have identified there was any contradictory payment purpose. And, so, I don’t think Revolut would’ve had sufficient reason to suspect the payments weren’t genuinely being made to accounts in her own name as Ms K claimed.

There were however other options Ms K could’ve selected that would’ve more accurately described the purpose of payments, such as – *‘I’m paying taxes, or a fine from a legitimate institution’* and *‘Other’*. Had Ms K selected either of these options it would’ve given Revolut a better understanding of the payments – thereby allowing them to provide her a more tailored scam warning, such as one associated with the risks of paying tax. It also could’ve helped Revolut identify whether it ought to have taken additional steps to try and protect Ms K from a scam. Unfortunately, due to Ms K selecting an inaccurate payment purpose, it was prevented from knowing the true purpose of the payments. And so, I don’t think Revolut acted unreasonably by providing the scam warnings it did.

The warnings provided, albeit not specifically tailored to the type of scam Ms K fell victim to, were also somewhat relevant to her circumstances. This is because it highlighted the possibility of impersonation, being wary of unexpected calls, scammers telling you to ignore warnings and scammers being able to impersonate bank agents and phone numbers. So, while Ms K may not have been scammed because of transferring money to her other account, I think the scam warnings presented by Revolut ought to have resonated with her given her situation – thereby prompting her to question the legitimacy of the calls she had

received.

I've thought carefully about the risks these payments presented and, on balance, I think the intervention process Revolut outlined was a proportionate initial response to those risks once the possibility of fraud was identified. As the payments continued further, and increased in value, I do think there are grounds for believing Revolut should have gone further and contacted Ms K directly to try and find out about the circumstances surrounding the payments, most likely by requiring her 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 Ms K from wanting to continue with the payments. In saying this, I'm mindful that she was on the telephone with the scammers throughout the process of making the payments and it had already guided her on how to answer Revolut's questions and convinced her to ignore its scam warnings. The scammers were threatening severe consequences for her if she didn't make the payments they were requesting and, entirely understandably in the circumstances, she went along with what she was being told. Ms K has also explained why she believed the scammers were genuine, as the scammer knew she was an international worker and said that her company must have made a mistake when dealing with her taxes which had shown up as fraud on HMRC's systems. She also said she received legal documents from the scammers which appeared to be from HMRC explaining an arrest warrant had been issued in her name, and for some offences she could face imprisonment if the payments were not made in full as requested.

Taking everything into account, I'm not persuaded an online conversation with a Revolut agent would have been sufficient to break the hold over Ms K that the scammers had achieved. I think the most likely outcome is that they would have continued guiding her on how she 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, she wouldn't have heeded any further warnings given.

I want to be clear that it's not my intention to suggest Ms K is to blame for what happened in any way. She fell victim to a sophisticated scam that was carefully designed to deceive and manipulate its victims. I can understand why she acted in the way she did. But my role is to consider the actions of Revolut and, having done so, I'm not persuaded it was the cause of her losses.

On a final note, I've considered whether, on being alerted to the scam, Revolut could reasonably have done anything more to recover Ms K's losses, but I don't think it could. Revolut have confirmed chargebacks were attempted when the fraud was reported, which were rejected. However, as some of the payments were made to a crypto wallet in her own name before being forwarded on to the scammer, no funds would've remained. But even if they did, it would've remained in Ms K's control and she could've accessed them herself. In relation to the payments Ms K made via the mobile money remittance service, ultimately, as the transactions had been successfully completed, the service had been provided, by the merchant. So, I don't think anything that Revolut could have done differently would likely have led to Ms K's money being successfully recovered.

I have a great deal of sympathy for Ms K and the loss she's suffered, as I appreciate it is a significant sum of money. But it would only be fair for me to direct Revolut to refund her loss if I thought it was responsible – and I'm not persuaded that this was the case. For the above reasons, I think Revolut has acted fairly and so I'm not going to tell them to do anything further.

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 Ms K to accept or reject my decision before 18 December 2025.

Israr Ahmed
Ombudsman