

## **The complaint**

Ms W complains that Revolut Ltd won't refund money she lost when she was the victim of an alleged purchase scam.

A representative who I will call "F" complains on behalf of Ms W.

## **What happened**

The background to this complaint is well known to both parties, so I won't repeat it in detail here. But in summary and based on everything sent by both parties, I understand it to be as follows.

In February 2024, Ms W purchased some gym equipment from a company I will call "S". She communicated with S via an instant messaging app, received an invoice and placed an order, paying £6,138.65 via a 'Revolut Pay' payment link that S sent her.

Ms W was told the items ordered would arrive within a week, but this didn't happen. When she contacted S, Ms W says they provided excuses and wouldn't give her a refund. As a result, Ms W checked online and found poor reviews for S. After months of not receiving the equipment, she said she realised she had been scammed.

In May 2024, Ms W complained to Revolut who explained that as the payment had been made via "Revolut Pay" it was protected by a buyer protection policy, but only if a claim had been made within 60 days of the transaction being made. Revolut explained that when Ms W notified them of the issue, 96 days had passed, meaning the cover didn't apply and the payment couldn't be disputed.

While they said they couldn't dispute the payment made, Revolut did refund Ms W three of her premium payments totalling £23.97, for poor service provided.

F complained to our service on behalf of Ms W. Our investigator looked into everything and wasn't persuaded that Ms W had been the victim of a scam. But even if Revolut had intervened before processing the payment, he didn't think the scam would've been uncovered.

Ms W disagreed. On her behalf, F explained why Ms W had been the victim of a scam – as there were known scam patterns and a clear intent to deceive from the outset here.

Our investigator considered the points raised, but still wasn't persuaded a scam had taken place, and even if it had, he didn't feel Revolut could have prevented a loss.

Ms W still disagreed and so the complaint has been passed 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.

I do understand that this experience must have been very upsetting for Ms W, and I'm sorry that she's found herself in this situation. It appears that she's lost out significantly here and I can see why she'd do everything she can to recover her money. But while I'm sympathetic to Ms W's situation, I don't think that I can fairly say that Revolut should refund the money she lost. I'll explain why.

I'm very aware that I've summarised this complaint briefly, in less detail than has been provided, and in my own words. No discourtesy is intended by this. Instead, I've focussed on what I think is the heart of the matter here. If there's something I've not mentioned, it isn't because I've ignored it. I haven't. I'm satisfied I don't need to comment on every individual point or argument to be able to reach what I think is the right outcome. Our rules allow me to do this. This simply reflects the informal nature of our service as a free alternative to the courts.

In broad terms, the starting position at law is that an Electronic Money Institution ("EMI") such as Revolut is expected to process payments and withdrawals that a customer authorises it to make, in accordance with the Payment Services Regulations (in this case the 2017 regulations) and the terms and conditions of the customer's account.

But, taking into account relevant law, regulators' rules and guidance, relevant codes of practice and what I consider to have been good industry practice at the time, I consider it fair and reasonable in February 2024 that Revolut should:

- have been monitoring accounts and any payments made or received to counter various risks, including preventing fraud and scams;
- have had systems in place to look out for unusual transactions or other signs that might indicate that its customers were at risk of fraud (among other things). This is particularly so given the increase in sophisticated fraud and scams in recent years, which firms are generally more familiar with than the average customer;
- have acted to avoid causing foreseeable harm to customers, for example by maintaining adequate systems to detect and prevent scams and by ensuring all aspects of its products, including the contractual terms, enabled it to do so;
- in some circumstances, irrespective of the payment channel used, have taken additional steps, or made additional checks, or provided additional warnings, before processing a payment – (as in practice Revolut sometimes does including in relation to card payments);
- have been mindful of – among other things – common scam scenarios, how the fraudulent practices are evolving (including for example the common use of multi-stage fraud by scammers, including the use of payments to cryptocurrency accounts as a step to defraud consumers) and the different risks these can present to consumers, when deciding whether to intervene.

F have provided a lot of information on behalf of Ms W about why they believe S behaved fraudulently. I haven't set all of it out in this decision, but I have carefully considered it. But here, I don't think I need to make a finding on whether S behaved fraudulently or not, because – for the reasons I'll go on to explain - I don't think it makes a difference to me reaching a fair outcome on this complaint.

I must make my decision based on the information about S that was available to both parties at the time Ms W made the payment – in order to decide what, if any, action Revolut should have taken at the time, and whether any action they did take would have made a difference to what happened.

It's not in dispute that Ms W authorised the payments. And Revolut have a duty to act on her instructions. But in some circumstances, as explained above, an EMI like Revolut should take a closer look at the circumstances – for example, if they ought to be alert to a fraud risk because the transaction is unusual for the customer or otherwise looks characteristic of fraud. And if so, they should intervene before releasing the payments.

F say that S had many characteristics of a scammer, and that had Revolut spoken to Ms W during an intervention they would have noted her vulnerabilities and the effect on her decision making at the time. They also said a fraud expert from Revolut would have been able to identify the scam if they had asked simple questions due to the fact that the alleged scammer had offered a cheaper price, faster delivery, asked Ms W to pay through a payment link, all of which clearly indicate fraud in their view.

Revolut haven't commented on whether they carried out additional checks or provided Ms W with any scam warnings before processing the payment.

While I appreciate the payment is a large sum, from reviewing Ms W's statements, I can see she had made a number of similarly high value payments in the six months before she'd made the payment in question. In this context, I wouldn't conclude that the payment Ms W made to S looked particularly unusual or suspicious based on its value.

But even if Revolut had intervened here, for example by contacting Ms W directly to ask some questions about the payment as F has suggested, I don't think this would have made a difference to her decision to proceed. This is because:

- Ms W had approached S after finding them from an online search. So, she wasn't approached by them, nor had she found them on a social media site - which are known fraud risks.
- F have confirmed to our service that, before making the payment, Ms W had "*read online reviews on TrustPilot and also checked their websites. I also checked both their companies.*". This demonstrates that Ms W carried out her own research on S before making the payment, and she was reassured they were a legitimate firm.
- Ms W was provided with a 'Revolut Pay' link to make the payment. This payment method, in my view, adds credibility to the likelihood of S's legitimacy – as it provides 'Buyer Protection Policy' cover, which allows a claim to be made in the event the purchased item isn't delivered.
- Although the price was cheaper than if purchased directly from the official distributor, I don't consider the 20% difference (which Ms W confirmed in her report to Action Fraud) so significant whereby I would expect it to have been seen as 'too good to be true'. It's common for retailers to sell products at a reduction at times, such as during sale promotions. And a 20% reduction doesn't seem unrealistic considering this was for high value gym equipment.
- I don't think a one-week delivery period would've raised suspicion of it not being genuine sale. This seems very plausible.
- I wouldn't have necessarily expected Ms W to have seen the gym equipment in person before making the purchase. While viewing an item might be common for other purchases, such as cars, I don't consider it unusual to purchase high end equipment online (without viewing it).
- Ms W communicated with S via an instant messaging app. Although F say no genuine company would operate in this way, I disagree. Instant messaging apps are being used by legitimate firms to contact their customers.

Revolut could have given Ms W general fraud and scam advice in relation to purchase scams - to help protect her from that risk. But I don't think I can fairly conclude that this would've put Ms W on notice that S wasn't legitimate and that she was falling victim to a

purchase scam. I've not seen anything to show Ms W would have had any reason to doubt the legitimacy of S at that time. And because of this, even if Revolut had provided warnings tailored to the risks of purchase scams, I don't think this would've led to Ms W not going ahead with the payment.

F have told us that Ms W was vulnerable at the time she made the payment, due to stress and not sleeping. While I'm really sorry to hear that Ms W was going through a difficult time, I've not seen anything to show that Revolut were aware of this, or that it meant Ms W was particularly vulnerable, such that Revolut ought to have taken a different course of action.

I'm very sorry to disappoint Ms W. However, for the reasons I've explained, I don't think Revolut is responsible for her loss. Because of this, it wouldn't be reasonable for me to ask them to refund the payment she made.

### *Recovery*

I also need to look and see whether Revolut did enough to try and recover the money Ms W lost once they were made aware.

I can see that Ms W made the payment using "Revolut Pay", meaning she was protected by Revolut's Buyer Protection Policy.

The terms of the policy say that a claim must be submitted by the customer via the app within 60 days of the transaction being made. I can see that Ms W notified Revolut after the 60 days had passed, meaning that unfortunately, Revolut weren't able to dispute the payment to try and get it back.

And if this was a scam, which Revolut's Buyer Protection Policy doesn't cover, then I don't think there was any reasonable prospect of recovery. This is because about three months had passed since the funds had been sent to S. And so, given scammers typically withdraw funds immediately upon them being received, I think it's most likely no funds would've remained when the scam was reported. It follows that I don't think Revolut is responsible for the funds not being recoverable.

Overall, while I strongly sympathise with Ms W and what she has been through, I don't think Revolut is responsible for the loss she has suffered. So, while I know this will come as a disappointment to Ms W, I don't think Revolut have acted unfairly by not refunding her.

### **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 W to accept or reject my decision before 16 June 2025.

Danielle Padden  
**Ombudsman**