DRN-5579250

The complaint

Mrs O is being represented by solicitors. She's complaining about Revolut Ltd because it declined to refund money she lost as a result of fraud.

What happened

Sadly, Mrs O fell victim to a cruel investment scam. After responding to an advert on social media, she was contacted by scammers who persuaded her to make a transfer of £4,952.65 on 21 Mar 2024. The scam company she was dealing with was a clone of a genuine broker firm and she realised it was a scam when she contacted the real firm a few days later.

Our investigator didn't recommend the complaint be upheld. They didn't think Revolut should have been concerned about the payment or that further intervention was warranted before it was processed.

Mrs O didn't accept the investigator's assessment. Her representative argues that Revolut should have identified the payment as potentially fraudulent and contacted her to discuss it. If it had done so, it believes the scam would have been uncovered, noting the Financial Conduct Authority (FCA) had issued a waning about scammers cloning the broker firm she believed she was dealing with.

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 Mrs O authorised this payment. 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 Mrs O.

The payment

One of the key features of a Revolut account is that it facilitates payments that sometimes involve large amounts and I must take into account that many similar payment instructions it receives will be entirely legitimate. I also need to consider Revolut's responsibility to make payments promptly.

Prior to finalising the payment, Revolut did ask Mrs O to confirm that she knew and trusted the payee. But beyond this, I understand no further intervention was attempted.

Having considered what Revolut knew about the payment at the time, including the amount involved, and the risks it presented I'm not persuaded it ought to have been particularly concerned about it: The payment wasn't identifiably going to cryptocurrency, and it wasn't part of a sequence of payments, meaning I don't believe a pattern consistent with many known types of scam had begun to emerge at this stage. And while I note the point about the FCA's warning, the name of the recipient wasn't related to the broker firm mentioned in that warning so there would have been no reason for Revolut to make that connection.

I don't dispute the view that a human intervention might have been successful in uncovering the scam before the payment debited Mrs O's account. But for the reasons I've explained, I don't think that kind of intervention was required in this case. On balance, and taking everything into account, I can't reasonably say Revolut was at fault for processing the payment in line with her instructions.

I want to be clear that it's not my intention to suggest Mrs O 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 these were the cause of her losses.

Recovery of funds

I've also looked at whether Revolut could or should have done more to try and recover Mrs O's losses once it was aware that the payment was the result of fraud.

I understand Mrs O first notified Revolut of the fraud on 24 March. It's a common feature of this type of scam that the fraudster will move money very quickly to other accounts once received to frustrate any attempted recovery, so it's not a surprise that Revolut's attempts to get her money back weren't successful. In the circumstances, I don't think anything that Revolut could have done differently would have led to these payments being recovered.

In conclusion

I recognise Mrs O has been the victim of a cruel scam and I'm sorry she lost this money. 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 her 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 Mrs O to accept or reject my decision before 2 September 2025.

James Biles
Ombudsman