

The complaint

Mr M complains that Revolut Ltd won't refund the money he lost to a scam.

What happened

The events leading up to this complaint are known to both parties. I won't repeat them all here. In summary, Mr M says that, in March 2024, he was contacted by an individual (a scammer) claiming to be from HMRC. He was provided with case reference numbers and information he thought only HMRC would know.

He says he was then threatened with court action for alleged outstanding taxes and fees. And believing he was dealing with the legitimate entity, and wanting to resolve things quickly, he was coerced into making a payment of £3,987. He was provided with an invoice that he thought looked genuine for this first payment. He was then persuaded to make a second payment for £1,800 that same day. He was led to believe this was an 'excess fee' that would result in the removal of his negative records on file and was refundable.

He realised he'd been scammed when the scammer ended the call after the last payment and he received no further contact. By that time, a total of about £5,800 had been sent from his Revolut account to the scammer. To note, a similar amount was sent from Mr M's account with his personal bank and then lost from a new account with a separate firm he was told to open by the scammer. He has since received a partial refund of those funds.

The matter was reported to Revolut in March 2024. A complaint was raised and referred to our Service. Our investigator didn't uphold it. In brief, she didn't think Revolut had cause to intervene on suspicion of financial harm given the payment values and the information it had available at the time. She also noted that when Revolut did in any event intervene on the second payment, it provided Mr M with an automated warning based on the payment purpose he'd selected. This didn't resonate and prevent Mr M's further losses.

As the matter couldn't be resolved informally, it's been passed to me to decide.

Provisional decision

I issued my provisional decision on this complaint on 30 May 2025. I set out the background as above and explained why I wasn't minded to uphold it. I provided the following reasons:

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 (the 2017 regulations) and the terms and conditions of the customer's account.

But that's not the end of the matter. 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 that, in March 2024, 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);
- 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, and the use of payments to cryptocurrency as a step to defraud consumers) and the different risks these can present to consumers, when deciding whether to intervene.

Prevention

In this case, I'm not convinced there was enough about the first payment, looking at its value and what Revolut would have known about the payee, for it to have intervened on suspicion that Mr M was at a heightened risk of financial harm from fraud. I realise the Revolut account was not newly opened and that the payment was larger than Mr M's spending in previous months. But, as the Investigator has already mentioned, it's not uncommon for consumers to make one-off larger payments at times. And, in the absence of other significant factors, I don't think it was unreasonable for Revolut to have processed the payment after providing Mr M with a 'new payee' warning which said "Do you know and trust this payee? If you're unsure don't pay them. As we may not be able to help get your money back. Remember, fraudsters can impersonate others and we will never ask you to make a payment". And then providing Mr M with a 'confirmation of payee' (COP) check – which we know didn't match.

For the second payment, as referred to by the Investigator, Revolut has sent us evidence to show that it did intervene and Mr M was asked, in the automated payment flow, to provide a 'payment purpose' before it was processed. The option to select if he'd been asked to pay by 'law enforcement' or 'tax authority' (matching his situation) was available for him to choose from. Mr M selected 'Pay a family member or friend' and 'paying rent or bills' instead. In turn, he was shown warnings that weren't specific to his situation at the time and didn't resonate.

I can't say for sure why Mr M selected what he did as the 'payment purpose'. But I don't think the steps Revolut took in trying to establish if a possible scam might be taking place, were disproportionate to the payment risk presented. And I can't overlook Mr M's replies to the automated questions in the payment flow didn't lead naturally to Revolut being able to provide him with a warning relevant to his situation at the time. I don't think it'd be fair and reasonable to hold Revolut liable for what then happened in these circumstances.

I'm sorry Mr M was the victim of a cruel scam and about the impact the whole experience has had on him. I can appreciate why he wants to do all he can to recover the money he lost. But I can only hold Revolut responsible for his losses if I'm satisfied that it missed an opportunity to prevent the scam. For the reasons I've given, I don't think that it did.

Recovery

In general, a firm is expected to attempt recovery once a scam has been reported. But I'm

satisfied there was little Revolut could have done here. I'm aware it tried to recover Mr M's funds by contacting the receiving bank on 7 March 2024 after the scam was reported. I'm also aware the money was moved on within minutes of it crediting the receiving bank so no funds remained to be recovered by the time that the scam was reported in any event.

Responses to provisional decision

I invited further comments and evidence from both parties. The deadline for these was 13 June 2025. I said that, unless the new information changes my mind, my final decision would likely be along the lines set out in my provisional decision. Revolut didn't respond to my provisional decision. I've summarised Mr M's response as follows:

- He was under extreme emotional pressure at the time of the scam for personal reasons, and acting under coercion from the scammer. In this vulnerable state, the automated warning given was inadequate. It didn't account for the coercive circumstances he was in or help him recognise he was being manipulated.
- He was following the scammer's instructions under fear and entered his own name as the payee. The COP check failed – yet Revolut still allowed payments to go through.
- The payments were completely out of line with his normal account activity both in size and frequency. Taking that into account and the failed COP, Revolut had more than enough indicators to step in. A payment delay or contact would have prevented the loss.

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 decided not to uphold it for the reasons previously given.

I've thought carefully about Mr M's response to my provisional decision. I appreciate the personal circumstances he's described and his comments that the payments were made while in a state of fear and coercion. I don't underestimate the stress that can be caused by this type of scam-contact and the panic it's meant to generate in those who receive it.

At the same time, when considering if and how Revolut should have stepped in, I need to keep in mind what it reasonably ought to have known about the payments when they were made; that many payments that look similar to the ones here will be entirely genuine; and that there's a balance it needs to strike between identifying payments that may be result of a scam and ensuring minimal disruption to legitimate ones.

As before, there are some situations where I consider that a firm (like Revolut), taking into account relevant rules, codes and best practice, should reasonably have taken a closer look at the circumstances of a payment – if, for example, it's particularly suspicious. While I'm again mindful the first payment was higher than Mr M's spending in previous months, it's also not uncommon for consumers to make one-off larger payments at times. And, looking at the payment value and the account activity (including the COP mismatch), I'm not convinced the circumstances were so suspicious to the extent that it was unreasonable for Revolut to have processed it after providing the warning it did.

It's important to reiterate here that the first payment wasn't processed without warning. Mr M was shown a 'new payee' warning with some wording relevant to 'impersonation' scams. And while I understand Mr M's point that the failed COP was an added risk factor, I'm mindful this was designed to help avoid payments going to the wrong account by also notifying the *payer* of a mismatch – allowing them the opportunity to decide if to proceed. I'm not persuaded Revolut should have stopped payments on the basis of a COP mismatch.

For completeness, even if I were to agree there was enough about the first payment for Revolut to have done more, I wouldn't have expected an intervention, proportionate to the risk presented, to have gone beyond it providing an automated warning – as it did for the second payment. And I can't ignore how things played out when that happened.

The second payment *was* delayed. It was only processed after Mr M was asked a series of questions in the payment flow which couldn't be skipped. He was asked to give a 'payment purpose'. He was warned *"Please answer truthfully. If you're being scammed, the fraudster will ask you to hide the real reason for this payment"*. Mr M selected *"I understand"*. The option that he'd been told to pay by 'law enforcement' or 'tax authority' was then available for him to choose from. He selected *"Pay a family member or friend"* and *"paying rent or bills"*. He was asked how the account details had been provided. He selected *"face-to-face"*. I don't think it'd be fair to hold Revolut responsible for Mr M being then shown a warning that wasn't more tailored to what was really happening at the time.

I recognise Mr M may well have been coached by the scammer through the steps. If so, it's questionable that any intervention would likely have been successful in preventing the scam. But I'm ultimately not persuaded that Revolut's actions were disproportionate to the payment risks presented in any event. So, while I'm again sorry Mr M was the victim of a cruel scam and I realise the whole experience has affected him deeply, I don't think it'd be fair to hold Revolut liable for his losses in the circumstances.

My final decision

For the reasons I've given, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 14 July 2025.

Thomas Cardia
Ombudsman