

The complaint

X complains that Revolut Ltd ('Revolut') won't refund the money they lost after falling victim to a scam.

What happened

The background to this complaint isn't in dispute, so I won't go into detail.

In summary, X fell victim to a safe account scam. The scammers said X's bank accounts had been compromised and persuaded X to move money from those accounts, either through purchases made using the cards or by moving money to a new Revolut account. This was a very sophisticated scam with the scammers impersonating more than one legitimate company.

These are the card payments that X made from their Revolut account.

Date	Details of transaction	Amount
7.8.2024	Revolut account opened	
8.8.2024	Card payment to E – payment held by Revolut	£10,995.00
9.8.2024	Card payment to L - refunded	£2,697.16
9.8.2024	Card payment to M – a company	£4,500.00
9.8.2024	Card payment to M – a company	£4,000.00

The scam took place over several days until X received a Revolut in-app warning. At this point X checked one of the phone numbers the scammer called from, and found warnings that it was linked with a scam. X also checked with Action Fraud, who they believed they'd raised a case with, and found the reference the scammer had provided didn't exist. X immediately reported the fraud to the financial institutions that they held accounts with.

When X raised the fraud with Revolut they raised a chargeback on the card payments. But, the chargeback wasn't successful as X authorised the payments, and Revolut declined to refund X.

X wasn't happy with Revolut's response, so they brought a complaint to our service.

An investigator looked into X's complaint but didn't uphold it. The investigator wasn't satisfied that Revolut could've uncovered the scam, as when Revolut asked X questions about the card payment to E, X wasn't honest about the purpose of the payment. The investigator also explained that chargeback wouldn't have been successful as they were payments to a genuine company who most likely provided the goods/services paid for.

X disagreed with the investigator's opinion and asked for an ombudsman to review their case. X raised a number of points including:

- The investigator and Revolut failed to consider X's vulnerability at the time of the fraud.

- It was a sophisticated scam where they were coerced into making the payments. X believes the payments were made involuntarily so they should be refunded under the Payment Services Regulations (PSR's).
- Revolut shouldn't have allowed the payments to M based on the size, and the concerns they had about the payment to E.
- X should be entitled to a refund under the Contingent Reimbursement Model Code (CRM Code) or the new APP reimbursement rules.
- Revolut's refusal to refund isn't consistent with the other financial institutions X holds accounts with, who have refunded X.
- Revolut failed to act fairly and with due care.
- X asked for compensation for Revolut's mishandling of their case.

Having reviewed the case, I wanted to address some points not covered by the investigator in their view. So, I issued a provisional decision on 3 July 2025 and gave both parties a chance to provide their response, before I issued a final decision.

My provisional decision

In my provisional decision I said:

I appreciate that X has provided us with a very detailed timeline of the scam and what happened. I don't wish to upset X by not including all those details in this decision, but both parties agree that X was the victim of a very sophisticated safe account scam. Also, there isn't any dispute about what happened, how the scam unfolded, the scammer's actions, or the payments made as a result. So, I've focused my decision on what I consider to be the crux of the complaint, the answer I've reached and how I've reached it.

I'm really sorry to hear about the serious difficulties X has suffered as a result of this cruel scam. Scams seriously impact the victim's mental health and wellbeing and have long-lasting effects. But, being the victim of a scam, doesn't necessarily mean that X is entitled to a refund.

When considering what is fair and reasonable, I'm also required to take into account: relevant law and regulations; regulatory rules, guidance and standards; codes of practice; and, where appropriate, what I consider to have been good industry practice at the relevant time.

Where there is a dispute about what happened, and the evidence is incomplete or contradictory, I've reached my decision on the balance of probabilities. In other words, on what I consider is most likely to have happened in light of the available evidence.

In broad terms, the starting position in law is that an electronic money institute (EMI) like Revolut is expected to process payments and withdrawals that a customer authorises, in accordance with the Payment Services Regulations (PSR's) and the terms and conditions of the customer's account.

There are however, some situations where we believe that businesses, taking into account relevant rules, codes and best practice standards, shouldn't have taken their 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 interest of its customers and to follow good industry practice to keep customers' accounts safe.

X has referred to the CRM Code, but it doesn't cover card payments, so I can't apply it in this case. X has also raised the new APP reimbursement rules. These didn't come into effect until October 2024 and can't be applied retrospectively, so also can't be applied to this case.

Are the payments X made considered authorised under the PSR's?

It's important to explain, that if X was coerced into making the payments, made the payments under duress or was deceived about the payments' purpose - that doesn't usually mean the payments are unauthorised.

There are two steps to authorisation: authentication and consent. Revolut says the card payments were authorised with a verification code sent to X's phone number. Based on the evidence, I'm satisfied that the payments were authenticated.

For the second step, I need to decide if I'm satisfied that X consented to the payments. This means that X knew that the payments were being made.

X transferred funds into his Revolut account in order to make the card payments. Also, when X attempted the first card payment to E, X was referred to Revolut's in-app chat and asked questions about the payment they were making. Because of this, I'm satisfied that X was aware of the payments being made and consented to them.

So, I'm satisfied that the payments were authorised by X.

Would better intervention by Revolut have prevented X's loss?

Revolut intervened when X attempted their first card payment to E for £10,995. Revolut asked onscreen questions about the reason X was making the payment, and they selected "to buy, sell, or rent goods, property or services". In response Revolut asked some further onscreen questions related to purchasing goods online and provided some warnings about indicators of purchase scams.

Revolut weren't satisfied with the information X gave them and referred X to their in-app chat so X could talk to one of their agents.

Revolut asked X a number of questions. These are some of the questions asked, I've provided X's response in italics.

- Why are you making this transaction? *To purchase a watch as an investment.*
- Can you confirm that you aren't being guided to make this transaction in any way? *I am not being guided and happy to make the payment.*
- As you stated you are buying a watch, so can you please let me know from where you are buying this and how did you get to know about this watch? *E seller – I have used them before safely.*
- Did anyone told [sic] you which option to select for the payment purpose? *No*
- Were you told your account isn't safe? *No*
- Revolut also provided the following warnings during the chat:
- Scammers may impersonate Revolut, another bank or the police and pressure you to make a payment urgently, telling you to ignore our alerts. Never ignore these alerts, even if someone tells you to. Please stop and let us know if you are concerned for your account safety.

- It's important that you answer these warnings honestly – they are here to protect you from scams and keep your money safe. This is a very risky payment, and if you decide to make it, the most likely outcome is that you'll lose your money, and we won't be able to get it back for you.

Revolut weren't satisfied with X's answers and asked X to send a copy of the invoice for the purchase. X provided a screen shot which appeared to show the purchase of a watch on E's website.

The evidence that was provided was very professional and didn't have the usual tell-tale signs of a fake, i.e. spelling mistakes or obviously pasted over information. It used the same logos, options and information that E uses.

It's clear that X was under the scammer's spell and believed everything the scammer was telling them. Which is understandable as this was a very sophisticated scam and the scammers used a lot of tactics to persuade X they were who they said they were, and that X needed to act quickly in order to protect their money.

Because of this, I'm satisfied that it's more likely than not Revolut wouldn't have been able to uncover the scam, even if they intervened on the other payments and asked more questions. I say this as I think the scammers would've guided X on what to say (which X said happened for the intervention), and more likely than not would've given X credible fake evidence to support the payment reasons.

I also think the scammers would've provided X with answers designed to prevent Revolut from detecting that this was a safe account scam. So, it's unlikely that X would've been given a warning that was tailored to a safe account scam, which is the only warning that might've resonated with him.

Although, it's worth noting, that X was given a warning as part of Revolut's intervention, which said fraudsters impersonate banks and other organisations, and this didn't resonate with X.

Having carefully considered the evidence, I'm not satisfied that Revolut could've prevented X's loss with further or better intervention or that they can fairly be held liable.

Is X entitled to a refund under chargeback?

Chargeback isn't an automatic right, and banks don't have to raise a chargeback where there isn't a reasonable prospect of success. But we consider it good practice for them to raise a chargeback where rights exist.

Revolut say a chargeback was raised based on X saying the payments were fraudulent – meaning X hadn't authorised them. But, having reviewed the transactions, Revolut were satisfied that X had authorised the payments, so the chargeback was unsuccessful.

The other chargeback reason Revolut could've used, would have been in relation to the merchant not providing the "goods and services" paid for.

Based on the information we have I'm not persuaded a chargeback raised under this option would've been successful either. I say this as it's more likely than not the merchant provided the goods/services paid for, albeit X wasn't the one that received them. But a chargeback would only look at whether the merchant has provided them, not who received them.

So, Revolut wouldn't have been able to recover X's funds through chargeback.

Compensation and X's vulnerabilities

X says they were vulnerable at the time they made the payments. But, having reviewed the chat history with Revolut, X only made them aware of vulnerabilities after they had fallen victim to the scam.

I haven't seen anything to suggest that X made Revolut aware of their vulnerabilities prior to making the payments. So, I can't fairly say that Revolut failed to take into account X's vulnerabilities when the payments were made.

I understand that X now feels very vulnerable after the scam, especially due to the financial difficulties it's caused. But that doesn't mean X is entitled to a refund. However, once Revolut were made aware of X's vulnerabilities, I would expect them to identify if any additional support is required.

X asks for compensation due to Revolut's mishandling of their case, but I haven't seen any evidence that supports this. Revolut reaching a different answer than other financial institutions and not refunding X, doesn't mean they've mishandled the case. So, I'm not satisfied that any compensation is due.

X feels that Revolut should refund them in line with the other financial institutions involved in this scam. However, I can't fairly ask Revolut to refund based on another financial institution's decision. I have to reach an answer based on the circumstances of this complaint and whether I'm satisfied that I can fairly hold Revolut liable for X's loss.

I realise that X is going to be very disappointed. But, for the reasons given above, I'm not satisfied that I can fairly ask Revolut to refund X.

My provisional decision was that I didn't intend to uphold this complaint.

Responses to my provisional decision

Revolut didn't respond to my provisional decision.

X responded saying he didn't agree with what I said in my provisional decision and raised the following points:

- This scam involved coercion and sophisticated manipulation.
- X didn't act recklessly or negligently.
- The actions of the scammers stripped X of informed consent, through the use of urgency, fear and a false sense of duty to protect his funds.
- Revolut's warnings were insufficient.
- There has been inconsistency in how financial institutions have treated X, as only Revolut and one other bank didn't refund X.
- X was suffering from serious mental health issues at the time, linked to distressing personal circumstances. This made X more vulnerable than the average person.
- Under our fair and reasonable remit, our determination should address where regulatory framework doesn't offer adequate protection.

Under the Dispute Resolution Rules (found in the Financial Conduct Authority's Handbook), DISP 3.5.14, says, if a respondent (in this case Revolut) fails to comply with a time limit, the ombudsman may proceed with the consideration of the complaint.

As the deadline for responses to my provisional decision has expired, I'm going to proceed with issuing my final decision.

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 fully appreciate that X was the victim of a sophisticated and cruel scam, whereby they were manipulated and put under undue pressure by the scammers. I also accept that X was vulnerable at the time the scam happened and that it's had a serious impact on their wellbeing. However, that doesn't necessarily mean that Revolut is liable for the loss they experienced.

And, while our remit requires me to reach an answer based on what is fair and reasonable in the circumstances of X's case, I also have to be impartial. This means I have to take into account the rules, regulations and industry guidelines in deciding whether Revolut have made any errors and whether they can fairly be held liable for X's loss.

I understand why X may feel the regulatory framework doesn't provide the protection they expect in this situation, but I cannot ignore that framework in reaching my answer – as it sets out what Revolut's obligations are in this situation.

Having carefully considered all the points X has raised, I've reached the same answer as I did in my provisional decision. I'll explain why.

While X was vulnerable at the time they made the payments, Revolut wasn't aware of that vulnerability. X hadn't told them about their personal circumstances or medical conditions and there wasn't anything in the in-app chat with Revolut which suggested that X was vulnerable. Without knowing that X was vulnerable, I can't fairly say Revolut should have taken additional steps to protect X.

X has explained how persuasive and sophisticated the manipulation was by the scammer, and this is why I'm not persuaded that better intervention by Revolut wouldn't have prevented the scam.

Revolut can only provide a warning based on the information they are given. In this case, X didn't give the real reason for the first payment, and provided very convincing fake evidence from the scammer to satisfy Revolut that they were making a genuine purchase. Based on the information available to Revolut, it appeared that X could potentially be the victim of a purchase scam. And any warning Revolut would've given relating to purchase scams, wouldn't resonate with X or break the scammers spell as it wasn't relevant to the circumstances of X's situation.

There wasn't information available to Revolut to say that X was the victim of a safe account scam. And, if Revolut had asked more questions about the last two payments X made, I'm satisfied it's more likely than not that the scammer could've provided professional looking evidence to back up the payment purpose, as they did with the first payment.

I'm also conscious that Revolut asked X if they were told their account wasn't safe and said *"scammers could impersonate Revolut, another bank or the police and pressure you to make*

a payment urgently, telling you to ignore our alerts. Never ignore these alerts, even if someone tells you to. Please stop and let us know if you are concerned for your account safety". This directly related to X's circumstances, but it didn't resonate with X due to the hold the scammers had over them.

I appreciate that other financial institutions may've refunded X, but that doesn't mean that Revolut is liable to refund as well. And I agree that X didn't act recklessly or negligently. But the scammers had a very strong hold on X, based on the sense of urgency and the fear that X's money was at risk. They also guided X through each step of the process in talking to Revolut staff through the in-app chat and provided convincing and genuine looking evidence to back up the payment purpose which X gave to Revolut. Because of this, I'm not satisfied that better intervention by Revolut would've uncovered the scam or prevented X's loss.

I'm really sorry to disappoint X, but I'm not satisfied that I can fairly ask Revolut to refund them.

My final decision

My final decision is that I don't uphold this complaint against Revolut Ltd.

Under the rules of the Financial Ombudsman Service, I'm required to ask X to accept or reject my decision before 15 August 2025.

Lisa Lowe
Ombudsman