

The complaint

Mr O complains that Revolut Ltd (“Revolut”) won’t refund payments he made as part of a scam.

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, I understand it to be as follows.

In September 2023, Mr O registered his interest with an online investment company (further referred to as Company A). Mr O was subsequently contacted by an account manager of Company A who explained the service they provided and how Mr O could make a profit. Mr O reviewed the information he received from Company A and, satisfied with what he’d seen, decided to invest. Mr O made payments totalling £178,016.60 (according to his calculations) from his Revolut account between October 2023 and January 2024.

In February 2024, Mr O complained to Revolut that he’d fallen victim to a scam. He complained that they failed to intervene to ensure that the payments were genuine and that he wasn’t the victim of a scam.

Revolut investigated the complaint but declined to reimburse Mr O’s losses. Revolut explained that they were not liable for Mr O’s losses on the basis that they provided sufficient scam warnings prior to the payments and did everything they could to recover his funds. Unhappy with this response, Mr O’s complaint was referred to our service via a professional representative.

An investigator looked into Mr O’s complaint and upheld it, in part. The investigator said that they believed Revolut ought to have intervened and, had they made sufficient enquiries at the time of the payments, should’ve uncovered Mr O was falling victim to a scam and prevented his loss. The investigator also explained that Mr O should share some of the liability for his loss, given that he misled Revolut when they questioned the payments as well as the lack of due diligence carried out prior to investing.

Revolut disagreed with the investigator’s findings. In summary, Revolut still believed that they provided Mr O with sufficient scam warnings prior to the payments and did everything they could to recover his funds. Further to this, Revolut stated the payments went to accounts in Mr O’s name and control and so they weren’t the point of loss.

As the complaint couldn’t be resolved by the investigator it was passed to me for a decision. Having reviewed the case, I reached a different answer to the investigator. So, I issued a provisional decision giving both parties a chance to provide any further evidence or arguments they wanted to be considered before I issued a final decision.

What I provisionally decided – and why

In my provisional decision I said:

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Firstly, I'd like to say how sorry I am to see the impact this situation has had on Mr O. This was a particularly cruel scam and it has undoubtedly had a large impact on him.

Mr O has provided detailed submissions to our service in relation to this complaint. In keeping with our role as an informal dispute resolution service, I will focus here on the points I find to be material to the outcome of Mr O's complaint. This is not meant to be a discourtesy to Mr O and I want to assure him I have considered everything he's submitted carefully.

In deciding what's fair and reasonable in all the circumstances of a complaint, I'm required to take into account relevant: law and regulations; regulators' rules, guidance and standards; codes of practice; and, where appropriate, what I consider to be good industry practice at the time.

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.

Here it's not in dispute that the payments were authorised, so the starting position is that Revolut isn't liable for the transactions.

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 customer's 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 Mr O.

Revolut has confirmed that it provided Mr O with written warnings prior to releasing some of the payments. I've also seen evidence that Mr O and Revolut had conversations, via Revolut's in-app chat, discussing the purpose of some of the payments in dispute.

Having reviewed the correspondence between the parties, I believe that Revolut could've probed further when making enquires as to the purpose of Mr O's payments.

That said, I'm not satisfied that any further intervention or questioning by Revolut could've prevented Mr O from making the payments. I say this for the following reasons:

- It's clear that Mr O misled Revolut as to the true purpose of the payments on numerous occasions. I can see that, at points, Mr O asks Company A for assistance in how to respond to the questions posed by Revolut regarding the purpose of the payments. I've also listened to conversations Mr O had with other financial institutions Mr O banks with after they blocked some of the payments he was making, which also formed part of this scam. Mr O also misleads these other parties in order to not alert them to the fact that he is making payments as part of an investment. Mr

O also lied to a number of financial institutions in order to obtain loans which were then used to fund some of the payments.

- Mr O supplied Revolut with falsified invoices to demonstrate the payments they'd questioned were being made in order to purchase office supplies and equipment. Though it's unclear whether Mr O or Company A created these false invoices, they are a clear demonstration that Mr O was not going to be truthful with Revolut about the purpose of the payments and was willing to go further than simply not being truthful when in discussion with them.
- Mr O acknowledges, both in correspondence with the scammers and in his testimony to our service, that his wife and friends were suspicious that he was falling victim to a scam. Unfortunately, Mr O continued to make payments despite these warnings from trusted parties.
- Mr O had carried out very little research into Company A or the investments they were alleging to carry out on his behalf. Instead, he trusted the explanations given to him by Company A instead of carrying out independent checks. I think this, along with the evidence showing that Mr O was following the scammers instructions, demonstrates that he had full and complete trust in them and was prepared to follow their directions.

I think the above evidence demonstrates that Mr O was so convinced of the legitimacy of this alleged investment and under the spell of the scammers that no action or intervention from Revolut would've led him to stop making the payments.

This is further demonstrated by the fact that the scam only stopped when the scammers stopped corresponding with him, rather than any actions taken by Mr O, his friends, family or other financial institutions.

I'm also satisfied that this is not a case where Revolut ought to have refused to process the payments from Mr O's account, given the information he supplied at the time of the payments.

Lastly, I've considered whether Revolut did what they should have when they were made aware that Mr O had fallen victim to a scam. I can see that Revolut contacted the relevant beneficiaries in an attempt to recover Mr O's funds. Unfortunately, these attempts were unsuccessful as Mr O's funds were no longer in the accounts.

Based on everything I've seen, I'm not satisfied that Revolut could have, or should have, prevented the payments at the time they were being made. Furthermore, I don't think any action taken by Revolut at the time Mr O made them aware of the scam would've resulted in the return of his funds.

My provisional decision

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

Responses to my provisional decision

Mr O's representative responded to say they didn't accept my provisional decision and supplied further evidence and arguments, including the following:

- Revolut failed to give appropriate warnings to Mr O during the course of the scam.
- Revolut could've broken the spell of the scammers if appropriate intervention had taken place.

- Mr O was vulnerable to the scam at the time of the payments.

Revolut did not respond to my provisional decision. Under the Dispute Resolution Rules (found in the Financial Conduct Authority's Handbook), DISP 3.5.14 says if a respondent (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.

Having considered the additional testimony and arguments provided by Mr O's representative, I see no reason to reach a different answer than I did in my provisional decision.

As referenced in my provisional decision, I wasn't persuaded that any action or intervention from Revolut could've, or should've, prevented Mr O from making the payments given how much he trusted the scammers at the time of the payments. The additional information and evidence supplied by Mr O's representatives hasn't altered my position in respect of this.

Further to this, given the misleading information given to Revolut by Mr O regarding the purpose of the payments, I'm not persuaded that any conversation between the parties would've led to Revolut uncovering any concerning features of the alleged investment or Company A. This also impacted Revolut's ability to provide Mr O with a warning relevant to the scam he was falling victim to.

I've considered Mr O's vulnerability at the time of the scam. Mr O's representative have stated that his need to fund his niece's medical treatment clouded Mr O's judgement. This would've undoubtedly been a very difficult personal circumstance for Mr O to navigate but, based on the testimony provided, I'm not persuaded that this meant he was unable to protect himself from scams at the time of the payments. Also, I haven't seen any evidence that Revolut were made aware of Mr O's vulnerabilities at the time the payments were made. So I can't fairly say they should've taken additional steps as a result.

Overall, I'm not persuaded that Revolut could've or should've prevented the payments from Mr O's account at the time they were being made. I'm also not persuaded they could've recovered Mr O's loss.

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 Mr O to accept or reject my decision before 20 August 2025.

Billy Wyatt
Ombudsman