

The complaint

Ms L complains that Revolut Ltd (“Revolut”) hasn’t refunded her the amount she lost to an impersonation scam.

What happened

I issued a provisional decision in July 2025 to explain why I thought Ms L’s’ complaint should be upheld. And I said I’d consider anything else anyone wanted to give me before proceeding with my final decision.

This is an extract from my provisional decision:

“In February 2023, Ms L received a call from someone who said they were calling from a police department in China. The scammer was able to “spoof” the telephone number they were calling from to make it appear that the call was genuinely being made by the police department in question.

Over the next couple of weeks, the scammers were able to persuade Ms L that she was being investigated by the police in relation to crimes related to organised crime and money laundering. Ms L was told that her identity had been stolen, that there were at least 17 victims, and that one elderly lady had committed suicide. She was also told there was a warrant out for her arrest and that she would need to cooperate fully with the investigation if she didn’t want to be arrested.

During the course of the scam, Ms L made 3 payments to the scammers from her Revolut account. I have detailed these payments in the table below:

Date	Payment type	Payee	Amount
6 March 2023	Faster payment	Payee 1	£59,103
14 March 2023	Faster payment	Payee 2	£22,003
20 March 2023	Faster payment	Payee 3	£14,503
		Total	£95,609

Ms L was told the first payment was to prove that she had significant funds available to her and therefore she did not need to commit a financial crime. She was told that the second two payments were to pay for her bail. The scammer told Ms L that all of the above funds would be kept safely and returned to her once the investigation was over. Ms L was also told that she must keep the investigation a secret, but the scammers did not provide her with cover-story should she be questioned by the bank.

Ms L was panicked and distressed at the thought of being arrested and made all of the above payments at the request of the scammer. However, she realised she had been the victim of a scam when a family member who lived in China asked the local police department whether the investigation was genuine, and he was told it was not.

Realising she'd been the victim of a scam; Ms L raised a complaint with Revolut.

Unfortunately, Revolut wasn't able to recover Ms L's funds from the beneficiary banks – either none of the funds remained in the accounts or the receiving bank did not reply. Revolut went on to say that it was not liable for Ms L's loss and wouldn't look to offer her a refund.

Unhappy with Revolut's response, Ms L brought her complaint to this service where one of our investigators looked into things.

The investigator did not uphold Ms L's complaint. They said the first transaction that left Ms L's account was unusual. However, Ms L had misled Revolut as to the reason for the payment - when asked to confirm the reason she was making the payment at the time, Ms L chose "something else" from a drop-down list rather than "safe account" which was an available option. Because of this, the investigator thought that Ms L had prevented Revolut from identifying and preventing the scam. They therefore didn't think it would be reasonable for Revolut to be held liable for Ms L's loss now.

Ms L disagreed and as informal agreement could not be reached, the complaint has been passed to me for a decision.

*What I've provisionally 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.*

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 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. 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;*
- have been mindful of – among other things – common scam scenarios, how 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.*

Should Revolut have recognised that Ms L was at risk of financial harm from fraud?

I'm satisfied that Revolut should've had serious concerns about the activity on Ms L's account from the outset. The first payment that left the account was significant in value and was being made to a new payee and an international account. It was also being facilitated by a large transfer into the account and was ultimately draining Ms L's account of funds. So, I'm persuaded that right from the outset, the activity on Ms L's account was unusual and suspicious.

What did Revolut do to warn Ms L?

Revolut did provide a warning when Ms L was attempting to make this payment. The warning said:

"Do you know and trust this payee? If you're unsure, don't pay them, as we may not be able to help you get your money back. Remember that fraudsters can impersonate others, and we will never ask you to make a payment."

The payment was then placed on hold and Ms L was asked to select the reason she was making the payment from a dropdown list. Ms L chose the option "something else" and a further warning was displayed which read:

Stop!

This transaction has been flagged as suspicious. Take a few minutes to consider the situation before parting with your money.

Don't ignore warnings

Scammers pressure and persuade you to ignore our warnings. If you are being told to ignore warnings such as this, then it's a scam.

We won't call you to move money

Revolut, banks and financial service providers will never ask you to move money to a different "safe" account"

While the above warnings do contain some information relevant to Ms L's circumstances, they require no real interaction or engagement from Ms L and, in my view, they both lack sufficient context to have been impactful in the circumstances. In other words, I don't consider either of the warnings referred to above to be a proportionate response to the risk that Payment 1 presented.

While I accept that Revolut has attempted to take some steps to prevent harm from fraud, the warnings it provided here were too generic to have the necessary impact, unless Ms L already had doubts about who she was speaking to (and, at the point of making the transactions under discussion here, I haven't seen sufficient evidence that she had those doubts). So, having thought carefully about the risk Payment 1 presented, I think a proportionate response to that risk would be for Revolut to have attempted to establish the circumstances surrounding the payment before allowing it to debit Ms L's account.

I've taken into account that Revolut asked Ms L to input the reason for the payment via its app during the payment process and Ms L selected "something else" but given the significant risk presented by this payment, I think Revolut should have done more than request this information via drop down in its app. I'm satisfied Revolut should have sought to

Speak with Ms L in person, for example, by directing her to its in-app chat to discuss the payment further.

If Revolut had attempted to establish the circumstances surrounding Payment 1, would the scam have come to light and Ms L's loss been prevented?

Had Ms L told Revolut that she was being asked to move money to a new account at the request of the Chinese police to prove that she hadn't committed a crime, I'm satisfied Revolut would have immediately recognised that she was falling victim to a scam. It would have been able to provide a very clear warning and, given that Ms L had no desire to lose her money and nothing to gain from going ahead with the payment, it's very likely that she would have stopped, not followed the scammer's instructions and her loss would have been prevented.

So, I've firstly considered whether Ms L would've revealed that she was being asked to move money to a new account to prove she did not need to commit a crime. In doing so, I have to bear in mind that it appears that Ms L was told not to tell anyone about the criminal investigation that was supposedly taking place.

Our investigator suggested that Ms L choosing "something else" rather than "safe account" when asked to input the reason for the payment suggests that had Ms L been asked, she would've chosen to mislead Revolut about the real reason for the payment so intervention wouldn't have made a difference. I don't agree. It seems to me that when Miss L entered the payment reason "something else" she was picking what, at the time, she felt was the most accurate drop-down option. Whilst the scammers had told Ms L that her funds would be held "safely" on her behalf during the course of their investigation, Ms L didn't believe she was transferring funds to a new safe account, she thought she was transferring funds to the police to prove that she hadn't committed a crime – and understandably this wasn't a drop-down option, so, she picked "something else". I'm not persuaded that Ms L had set out to deliberately deceive Revolut at all.

So, whilst I accept that Ms L had been told by the scammers not to tell anyone about the ongoing investigation, I haven't seen any persuasive evidence that suggests she wouldn't have told Revolut the real reason behind the payments had she been asked – she told her Uncle what was happening to her and this is how the scam to light. This suggests to me that Ms L was willing to disclose what was going on.

So, had Ms L been required to positively engage with another person at Revolut, I'm satisfied she would've had to actively engage with any questions posed in real time and consider her answers and I haven't seen anything to persuade me that she would've deliberately chosen to mislead Revolut. Ms L genuinely believed she was transferring money at the request of the police and she hadn't questioned what she was being asked until this point but this was because there was no real interaction or engagement with Revolut which in my view, would've had the necessary impact to uncover the scam.

Ultimately, as Revolut didn't question the payments Ms L made in person, it can provide no compelling evidence that she would have actively misled it about the purpose of the payments or the surrounding circumstances.

So, Revolut should, once it had established why Ms L was making the payment, provided a very clear warning that explained, as a minimum, that the Police would never ask her to move money to prove her innocence, that phone numbers could be spoofed and that she was falling victim to a scam. I think, on the balance of probabilities, that's likely to have caused Ms L to stop. She didn't want to lose her money and I can see no reason for her to

have continued to make the payment if she was presented with a warning of this nature. She would've been actively engaging with someone in real time who would've had been able to tell her she was falling victim to a scam. So, I'm satisfied that had Revolut established the circumstances surrounding Payment 1, as I think it ought to have done, and provided a clear warning, Ms L's loss from and including Payment 1 would have been prevented.

Should Ms L bear any responsibility for her losses?

In considering this point, I've taken into account what the law says about contributory negligence as well as what's fair and reasonable in the circumstances of this complaint.

Based on the evidence I've seen, I'm not persuaded that Ms L should bear any responsibility for her loss. When reaching this conclusion, I have taken into account the following:

- The scam utilised sophisticated number spoofing, allowing the scammer's telephone calls to appear to originate with the police department in question and I consider this convinced Ms L she was dealing with the Chinese authorities.*
- Ms L recalls the caller knowing information about her that she thought only the authorities would know – this included providing her with a copy of her identity card. This would have added to her belief that these calls were legitimately from law enforcement.*
- Ms L describes having numerous telephone calls with the scammer prior to making the payments. During these calls the scammers used sophisticated social engineering tactics to draw Ms L in. They threatened her with the threat of arrest which caused a significant amount of panic so Ms L was scared and unable to think logically or question what she was being told.*
- The scammer was able to provide Ms L with convincing looking documentation that appeared to verify that she was speaking with law enforcement and a criminal investigation was taking place. I have seen copies of the documentation that was sent to Ms L and can understand why, a lay person, may find it convincing.*

So, taking everything into account, including the nature and complexity of this scam and Ms L's specific circumstances, I don't think it would be fair to say Ms L was grossly negligent or that she should bear some responsibility for her loss in the particular circumstances of this case.

In summary, I think Revolut should've intervened when Ms L made the first payment and if it had Ms L's total loss could've been prevented. I'm not persuaded it would be fair for Ms L to share the responsibility for her loss with Revolut for the reasons I've set out above."

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'm minded to reach the same overall conclusion as I reached in my provisional decision. I'll explain why.

Ms L responded to my provisional decision to say she accepted my findings. Revolut responded to my provisional decision and said it did not accept my findings, it said:

- Before initiating any of the scam payments, Ms L received two substantial credits into her Revolut account from third parties (£11,400 & £41,400) originating in China. Revolut posed various questions about these payments such as why Ms L had received them without questioning their legitimacy, why they been received prior to the scam payments and why Ms L had failed to disclose or explain them. It said Ms L had made no mention of borrowing or receiving funds from others during her fraud report and it felt this was indicative of a possible awareness of wrongdoing. It said this behaviour was inconsistent with the behaviour of an innocent victim.
- The delays between the scammer initially contacting Ms L and the scam payments undermined the “Pressure Scam” argument. Ms L had over two weeks to reflect on what she was being asked to do by the scammers, and this was ample time to verify the legitimacy of what she was being told or to have sought external advice. Her failure to do so signalled a lack of due diligence on her part that ultimately contributed to her loss.
- Ms L initially moved some of the scam funds from an account she held with a third-party bank. Revolut questioned whether Ms L provided misleading information to the third-party bank to allow these transfers.
- The use of third-party messaging service as a communication channel should’ve been a clear red flag to Ms L. Revolut said the messaging service used is a platform frequently associated with anonymity and illicit activity and the use of this platform as part of the scam should’ve raised suspicion for any reasonable individual - especially when it was being used to communicate criminal charges.

I’ll address each point in turn:

I asked Ms L about the two credits that she received into her account prior to the scam payments and she told me they were payments from her parents in China that she had requested so she could make the payments the scammer had requested. So, it’s unclear to me why Revolut feels Ms L failed to explain these payments. She was open and honest about the payments when asked. And, whilst she may not have mentioned them specifically in her fraud report, she may not have known their importance. Regardless, I cannot see that Revolut ever asked Ms L about the payments after she reported being a victim of a scam. So, it cannot contend that she didn’t disclose important information when asked. I haven’t seen anything that persuades me that Ms L’s actions in regard to these payments indicate that she is anything other than the innocent victim of a scam.

I also don’t agree that the time that passed between the scammers initially contacting Ms L and the scam payments being made undermines the fact that Ms L says she felt under pressure to make the payments. As I explained in my provisional decision, rather than giving Ms L time to stop and think about what was being asked of her, the scammers used this time to maintain contact with her and apply pressure, providing legitimate looking documentation to persuade her that there was a genuine legal threat using social engineering and pressure tactics (such as the idea of a secret investigation and threat of arrest). It seems to me that this threat made it difficult for Ms L to think clearly and identify and reflect on any warning signs. It’s also clear that Ms L was speaking with her family at this time, and it appears that her support network also found the threat to be genuine until steps were taken to speak with the police later on.

As part of my investigation, I asked Ms L’s third-party current account provider for some information about any intervention that might’ve taken place when Ms L moved the funds from her current account to Revolut. I reviewed the information that was sent back to me in some detail, and I saw no evidence that persuades me that Ms L had been required to actively speak with anyone directly at Revolut that she would’ve actively chosen to mislead Revolut about the purpose of the payment(s) she was making. I also don’t agree that the use

of a messaging service as part of the scam was so inherently unusual that it meant Ms L should now be considered grossly negligent. I say this in the context that Ms L thought she was being investigated in an international jurisdiction, not in the UK. So this may not have appeared so unusual that it undermined everything that Ms L was being told and the panic and distress the scammers had been able to instil in her. So, whilst I do agree that this is somewhat unusual, it's also important to remember that Ms L is a foreign national and a lay person. So, it's not reasonable to assume that she would know that the platform is often "*associated with anonymity and illicit activity*". Overall, whilst I acknowledge the use of the messaging service could be considered odd, given the tactics used by the scammers that I've set out above, I don't think its use, in and of itself, meant Ms L acted with gross negligence.

For the reasons I've set out above, I'm still of the opinion that this complaint should be upheld in full.

Putting things right

I require Revolut to refund Ms L:

- Her total outstanding loss - amounting to £95,609
- Pay interest on the refund calculated at a rate of 8% simple per annum calculated from the date the payments left the account to the date of settlement*

*If Revolut Ltd considers that it's required by HM Revenue & Customs to deduct income tax from that interest, it should tell Ms L how much it's taken off. It should also give Ms L a tax deduction certificate if she asks for one, so she can reclaim the tax from HM Revenue & Customs if appropriate.

My final decision

My final decision is that I uphold this complaint about Revolut Ltd.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms L to accept or reject my decision before 22 August 2025.

Emly Hanley Hayes
Ombudsman