

The complaint

Mr S complains about Revolut Ltd.

He says that he has fallen victim to a purchase scam and would like Revolut to refund him the money he has lost.

What happened

Mr S was contacted by a friend 'L' via a messaging service with regards to purchasing a luxury watch. The friend told Mr S that he was a representative of the brand via sponsorship as he was an athlete.

Mr S believed that he would be able to purchase the watch at a discounted price due to L's connections and trusted him as he had met him in person a few times while travelling.

Mr S made the following payments for the watch

Payment	Date	Transaction type	Payee	Amount
	12/12/2024	Foreign Transfer - declined	L	€2,960
1	12/12/2024	Foreign Transfer	L	€2,960
2	14/12/2024	Foreign Transfer	L	€1,945
3	14/12/2024	Foreign Transfer	L	€750
4	26/12/2024	Card payment	Digital cash	€307.45
5	26/12/2024	Card payment	Digital cash	€307.45
	26/12/2024	Card payment - cancelled	Digital cash	€307.45
6	26/12/2024	Card payment	Digital cash	€307.45
			Total	€6,577.35

Payments one to three were supposedly for the purchase of the watch, tax and delivery. The remaining payments were for additional delivery charges (one of which L said wasn't received, although it did go through).

The watch didn't arrive, and contact with L ceased – and Mr S realised he had been scammed.

He made a complaint to Revolut about what had happened, but it didn't uphold his complaint, so it was brought to this Service. Our Investigator looked into things but didn't think that Mr S's complaint should be upheld.

Mr S asked for an Ombudsman to make a final decision on his complaint, so it has been passed to me.

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 have decided not to uphold this complaint for broadly the same reasons as our Investigator. I know this will be disappointing for Mr S, so I'll explain why.

The Payment Systems Regulator introduced the APP Scam Reimbursement ("ASR") rules on 7 October 2024 to reimburse consumers who are the victims of APP scams in certain circumstances – however these rules do not apply to Mr S's complaint as the payments he made are foreign transactions which are not covered by ASR rules.

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.

Mr S authorised the payments in question here – so even though he was tricked into doing so and didn't intend for the money to end up in the hands of a scammer, he is presumed liable in the first instance.

But this isn't the end of the story. As a matter of good industry practice, Revolut should also have taken proactive steps to identify and help prevent transactions – particularly unusual or uncharacteristic transactions – that could involve fraud or be the result of a scam. However, there is a balance to be struck: banks had (and have) obligations to be alert to fraud and scams and to act in their customers' best interests, but they can't reasonably be involved in every transaction.

Taking into account the law, regulator's rules and guidance, relevant codes of practice and what I consider having been good industry practice at the time, I consider Revolut should fairly and reasonably:

- Have been monitoring accounts and any payments made or received to counter various risks, including anti-money laundering, countering the financing of terrorism, and 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 banks 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, before processing a payment, or in some cases declined to make a payment altogether, to help protect customers from the possibility of financial harm from fraud.

In this case, I need to decide whether Revolut acted fairly and reasonably in its dealings with Mr S when he authorised payments from his account, or whether it could and should have done more before processing them.

Revolut presented Mr S with a new payee warning when he initially attempted payment one - it asked if he knew the payee and trusted them, and said that if he was unsure, he should not make the payment as it may not be able to retrieve his money. Mr S acknowledged the warning, but Revolut detected a potential scam and told Mr S it needed his help to understand what was happening. Mr S opted to cancel the payment at this point using the

option presented to him, saying he wanted to investigate the transaction further.

Later the same day, Mr S then made payment one – this time successfully. Revolut intervened with the payment again, and answered the questions presented to him.

Mr S told Revolut that he was purchasing an item from an online retailer or marketplace, and that the item was cheaper than usual. He also confirmed that he didn't know the seller, and that he hadn't seen proof of ownership.

Revolut then showed Mr S a series of warnings – it explained that this could be a purchase scam and that fraudsters sell items that they don't have, to be wary of bargains and check if the price is realistic. It also told Mr S to research the seller. Revolut then said to use a secure payment system if available rather than a bank transfer and to ask for proof of ownership.

Mr S told Revolut he wanted to continue with the payment and was then shown a final warning screen where he was required to acknowledge that that Revolut had warned him that the payment was suspicious. Mr S still wanted to continue with the payment, so Revolut agreed to send it, but said that the payment would be held for three hours during which time Mr S could change his mind, but he didn't do so.

I think that Revolut went as far as it needed to warn Mr S that the transaction may be suspicious, and the steps Mr S was required to take before the funds left his account were proportionate to the risk identified.

The next two payments were able to leave Mr S's account without any further friction due to the answers Mr S had previously provided, but even if Revolut had forced Mr S through similar steps for these payments too, I still think he would have wanted to continue with the payments given the warnings he was presented with and his belief he was buying a watch from someone he knew.

I don't think that payments four to six required any further interventions from Revolut – they weren't particularly large in value or otherwise unusual and were authorised by Mr S using 3DS verification. And in any event, Mr S had already received a proportionate warning about what he was doing and still wanted to continue.

I am also satisfied that Revolut did what it could to try and recover the funds once it was made aware of the scam – but the funds had already been moved on by the scammer. This is not unusual when it comes to ill-gotten funds.

I understand that Mr S doesn't feel that the outcome of his complaint is fair – he says that there should be a digital trace of where his money went and who the beneficiary is. He has also raised that Revolut is the receiving bank of his funds, as well as the sending bank, and he has concerns about its KYC process for opening the account.

But as I have explained above, while we know where Mr S's funds went, recovery is only possible if the funds remain in the account when recovery is attempted. And this complaint is about Revolut as the sending bank – not the receiving bank. And while it is sometimes possible to make a separate complaint about a receiving bank, this account was not opened in the UK, so it is not possible to make a complaint about this via our Service.

I am very sorry that Mr S has lost his money to someone he thought he could trust – but Revolut has done what I would expect it to, to try and prevent his loss, and as I don't think it has done anything wrong, I can't direct it to refund him. And ultimately, his loss wasn't caused by Revolut, but by the scammer.

My final decision

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 3 December 2025.

Claire Pugh
Ombudsman