

The complaint

Mr L is being represented by solicitors. He's complaining about Revolut Ltd because it declined to refund money he lost as a result of fraud.

What happened

Sadly, Mr L fell victim to a cruel investment scam. He was contacted by the scammer after responding to an advert on social media. This led to a transfer of £5,000 from his Revolut account on 2 November 2023 and a further £4,900 on the following day. The first payment was to the account of an individual and the second to a company that an internet search suggests offers construction and real estate services.

Our investigator didn't recommend the complaint be upheld. He felt Revolut took appropriate steps to question and provide warnings about the payments, noting that Mr L wasn't accurate with some of the answers he gave.

Mr L didn't accept the investigator's assessment. His representative says Revolut should have gone further with its intervention and called him to discuss the payments in person.

The complaint has now been referred to me for review.

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 reached the same overall conclusions as the investigator. I haven't necessarily commented on every single point raised but concentrated instead on the issues I believe are central to the outcome of the complaint. This is consistent with our established role as an informal alternative to the courts. In considering this complaint I've had regard to the relevant law and regulations; any regulator's rules, guidance and standards, codes of practice, and what I consider was 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 a customer authorises it to make, in accordance with the Payment Services Regulations and the terms and conditions of their account. In this context, '*authorised*' essentially means the customer gave the business an instruction to make a payment from their account. In other words, they knew that money was leaving their account, irrespective of where that money actually went.

I note Mr L's representative says he was told to download screen-sharing software and that the scammer used this to help with some steps of the scam. But in respect of these payments, Revolut has explained that its App can detect when a screen share is in progress and the screen appears blanked out to anyone remotely viewing the screen. And that this ensures that whenever screen-sharing software is being used, a scammer remotely accessing a consumer's device can't perform the actions on the account that would have

been necessary to facilitate this type of payment. So it seems the payments were indeed authorised by Mr L.

There are, however, some situations where we believe a business, taking into account relevant rules, codes and best practice standards, shouldn't have taken its 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 interests of its customers and to follow good industry practice to keep customers' 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 L.

The payment

One of the key features of a Revolut account is that it facilitates payments that sometimes involve large amounts and I must take into account that many similar payment instructions it receives will be entirely legitimate. I'm also conscious this was a recently opened account and there was no history of past activity against which these payments might have looked suspicious.

Nonetheless, having considered what Revolut knew about the payments at the time, I think it had reason to suspect Mr L may be at risk of harm from fraud. While the money wasn't identifiably going to cryptocurrency – a type of transaction that carries a higher risk of being associated with fraud – the amounts involved were significant.

Having thought carefully about the risks these payments presented, including the amounts involved and what it knew about the destination, I think a proportionate response would have been for Revolut to ask Mr L about their purpose so it could provide a tailored warning relevant to the type of scam it identified could be taking place. I'm broadly satisfied that's what happened in this case.

Revolut carried out an intervention prior to the first payment. Initially it showed a screen warning Mr L the payment had been identified as a potential scam. He was then told that scammers may tell him to hide the real reason for the payment and that only scammers would tell him to ignore its warnings. After emphasising the importance of answering truthfully, Revolut asked Mr L a series of questions about the payment, including the reason for it. He didn't select the option that said he was making an investment, instead saying it was for '*something else*'. He also said he hadn't been told to install any software and that no one was telling him how to answer these questions.

Based on the answers it received, Revolut showed Mr L a series of warning screens that amongst other things told him scammers may ask him to download remote access software and tell him to ignore its warnings.

Revolut has explained that the second payment went through the same intervention process and its questions were answered in the same way, leading to the same series of warning screens.

The success of any intervention depends to some extent on the consumer providing accurate information about the payment being made. If Mr L had answered these questions correctly, particularly that he was making an investment and had been told to install

software, I would have expected Revolut to provide warnings that specifically related to investment scams and would have been more likely to resonate with him. But based on the answers it received, I'm satisfied the warnings shown were appropriate to the most likely type of scams that could be taking place.

I appreciate Mr L's representative believes Revolut should have called him to discuss the payments. Leaving aside any consideration of whether he would have been any more forthcoming about the circumstances if it had done, I don't agree that a human intervention was warranted based on what it knew and was told about the payments at the time.

I want to be clear that it's not my intention to suggest Mr L is to blame for what happened in any way. He fell victim to a sophisticated scam that was carefully designed to deceive and manipulate its victims. I can understand why he acted in the way he did. But my role is to consider the actions of Revolut and, having done so, I'm not persuaded these were the cause of his losses.

Recovery of funds

I've also looked at whether Revolut could or should have done more to try and recover Mr L's losses once it was aware that the payments were the result of fraud.

I understand Mr L didn't notify Revolut of the fraud straight away and it's a common feature of this type of scam that the fraudster will move money very quickly to other accounts once received to frustrate any attempted recovery. In the circumstances, it's not a surprise that Revolut's attempts to recover his money weren't successful and I don't think anything it could have done differently would likely have led to a more favourable outcome.

In conclusion

I recognise Mr L has been the victim of a cruel scam and I'm sorry he lost this money. I realise the outcome of this complaint will come as a great disappointment but, for the reasons I've explained, I think Revolut acted fairly and reasonably in its dealings with him and I won't be telling it to make any refund.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 30 August 2025.

James Biles
Ombudsman