

The complaint

Mr A has complained that Revolut Ltd won't refund money he lost to a scam.

What happened

Mr A has said he was contacted by the scammer who he thought was a lawyer in Romania who said his family qualified for citizenship. Mr A wanted his father and sisters to have a more comfortable life, so, he expressed an interest. He submitted applications for all three of his relatives. Mr A realised that he had been scammed when he showed the documents he received, to government officials at the Romanian consulate in Pakistan. They confirmed that all of the documents that he had received were fake documents with forged signatures. Mr A reported the scam to Revolut who said it had identified the first transaction Mr A sent as a risk, but Mr A said he trusted the payee. Revolut said Mr A had received multiple warnings and interventions and didn't provide accurate answers to the questions it had asked. As such it didn't think it was responsible for the loss Mr A suffered.

Mr A remained unhappy and referred his complaint to our service. Our investigator looked into Mr A's complaint, but he didn't recommend it be upheld. So, Mr A asked for the complaint to be passed to me to consider.

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 agree with the investigator's opinion for broadly the same reasons, I will explain why.

In broad terms, the starting position in law is that an EMI is expected to process payments that their customer authorises them to make. It isn't disputed that Mr A authorised the payments from his Revolut account. Therefore, under the Payment Services Regulations and the terms of his account, Revolut is expected to process his request, and he is presumed liable for the loss in the first instance.

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 in September 2022 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 (among other things). 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;

- 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 – (as in practice Revolut sometimes does);
- have been mindful of – among other things – common scam scenarios, how the 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.

Having reviewed the transactions along with Mr A's account usage I am satisfied the first payment which was unusual or uncharacteristic was payment two, made on 1 November 2022, for £10,775.63. I say this because, this is a significant increase in expenditure and it's not in line with Mr A's normal account activity, it's a high value and international payment. As, such it's reasonable to conclude that Revolut ought to have intervened on this transaction and I am pleased to see it did. I have seen evidence to show that Revolut asked Mr A the purpose of the payment and he said, "transfer to a safe account". Revolut sent a warning advising Mr A of 'safe account scams'. This didn't resonate with Mr A as he wasn't falling victim to a safe account scam, and so he proceeded with the transaction. I'm of the opinion that Revolut ought to have done more at this stage (given the fact Mr A had said he was moving money to a safe account). However, given subsequent events and interventions carried out by Revolut I'm satisfied them not doing more at this stage wasn't the cause of Mr A's loss.

The second payment which I think Revolut ought to have intervened on was the payment Mr A made on 18 January 2024, for £7,814.44, payment six. While this payment was some time later than payment two, it carried the same risk factors as payment two, an international payment of a high value. However, at this point I don't think it is reasonable to conclude that it was 'unusual' or 'uncharacteristic' expenditure on Mr A's account, due to his prior transactions. It appears from the evidence provided there was no intervention from Revolut in relation to this payment.

So, I have gone on to consider what I think would have been a proportionate intervention at that time. The FCA's Consumer Duty, which was in force at the time this payment was made, requires firms to act to deliver good outcomes for consumers including acting to avoid foreseeable harm. In practice this includes maintaining adequate systems to detect and prevent scams and to design, test, tailor and monitor the effectiveness of scam warning messages presented to customers. As such, firms, have developed warnings to recognise both the importance of identifying the specific scam risk in a payment journey and of ensuring that consumers interact with the warning.

In light of the above, by January 2024, when this payment took place, Revolut should have had systems in place to identify, as far as possible, the actual scam that might be taking place for example by asking a series of automated questions designed to narrow down the type of scam risk associated with the payment he was making – have provided a scam warning tailored to the likely scam Mr A was at risk from. I accept that any such system relies on the accuracy of any information provided by the customer and cannot reasonably cover off every circumstance.

However, having considered what I think a proportionate warning would have been, even if Revolut had done this for payment six, I don't think it would have prevented Mr A's loss. I say this because, I am aware on previous transaction (prior to payment six) Revolut had intervened in a similar way, as I have outlined above, via its in-app chat facility. Mr A confirmed he wasn't being told how to answer the questions, and when asked to select an option as to why he was making the payment he said 'something else', which triggered Revolut to ask for further information. Mr A explained it was for 'lawyer fees'. Off the back of

this Revolut asked further questions, and Mr A confirmed he wasn't told his account wasn't safe, hadn't been asked to install software, was acting on his own accord and wasn't being told to ignore warnings. Mr A was then presented with several scam related warnings and accepted the truth agreement Revolut presented. As such he proceeded with the payment. I have also reviewed some of Mr A's comments during the process of him being asked to provide further information, and it is clear he expressed concerns and somewhat annoyance for Revolut intervening on the payment and indicated if Revolut stopped him making the payments he would proceed with another firm.

So even if Revolut had intervened on payment six (or subsequent payments) in the way in which I highlighted above, (which I deem to be proportionate) I am satisfied it wouldn't have prevented Mr A's loss. I say this due to the nature of the scam, the confidence Mr A had in the legitimacy of the payees, documentation he had been provided with and emotional investment he had, to ensure the payments were made.

Recovery

I've also looked at whether Revolut took the steps it should have once Mr A contacted it to dispute the payments. It's important to note that Mr A didn't ask Revolut to send the money directly to the scammer but instead to an account in his own name with another institution. Revolut did as Mr A requested. So, it was always highly unlikely that Revolut would be able to facilitate the recovery of the payment after they were moved on from Mr A's account with the third-party institution to the scammers. So, it follows that I won't be asking Revolut to do anything further.

I really do appreciate the impact this issue has had on Mr A. But in reaching my decision in this case, I have to put aside my natural feelings of empathy and consider the case impartially and fairly, based on the available evidence.

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 8 January 2026.

Jade Rowe
Ombudsman