

## Complaint

Mr S complains on behalf of R, a limited company, that Revolut Ltd didn't refund his losses after he reported falling victim to a scam.

## Background

In late 2024, Mr S was looking to make a wholesale purchase of a supplement designed to prevent hair loss from a vendor based overseas. The price he agreed was £7,500. Unfortunately, although Mr S didn't know it at the time, he was dealing with a sophisticated fraudster who was impersonating an otherwise legitimate retailer.

The fraudster sent him what appeared to be an authentic invoice, and he proceeded to make the first payment. He was provided with emails reporting on the progress of the shipment that appeared to allow him to keep track of its progress. On several occasions, the fraudster explained that further payments needed to be made. The payment requests included covering costs for additional shipping, customs fees and insurance charges.

He used his Revolut account to make the following payments:

1	11 November 2024	£6,205.92
2	13 November 2024	£3,002.90
3	14 November 2024	£2,137.36
4	19 November 2024	£2,420.02
5	26 November 2024	£936.45
6	27 November 2024	£1,369.80
7	29 November 2024	£1,381.02
8	2 December 2024	£1,102.02
9	5 December 2024	£1,119.98

Eventually, Mr S realised he was not dealing with a genuine seller and had likely fallen victim to a scam. He reported the matter to Revolut, but it declined to reimburse his losses.

It said:

*Our systems detected that the payment was being performed to a new beneficiary. Consequently, we displayed the following message in his Revolut app "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."*

*As [Mr S] acknowledged this warning, he was free to continue with the transfer.*

Mr S wasn't happy with that response and so he referred his complaint to this service. It was looked at by an Investigator who didn't uphold it. Mr S disagreed with the Investigator's opinion and so the complaint has been passed to me to consider and come to a final decision.

## Findings

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

As a starting point, the legal position is that a firm is generally required to process payments and withdrawals authorised by its customer, in line with the Payment Services Regulations (in this case, the 2017 regulations) and the account terms and conditions. It is accepted that the disputed payments were authorised, so R is presumed liable at first instance.

However, that is not the end of the story. Good industry practice required Revolut to monitor account activity or transactions that appear unusual or out of character and could indicate a risk of fraud. Where such concerns arise, I would expect the firm to take steps to protect its customer. This could involve issuing a clear warning during the payment process or contacting the customer to understand the circumstances behind the transaction.

With hindsight, we know R was the victim of fraud. The questions I must consider are:

- (a) whether the risk should have been apparent to Revolut at the time, given the information available; and
- (b) whether any error on its part was the cause of her losses.

In coming to a finding on (b), I have to take into account the relevant legal principles which require me to consider whether the loss would have occurred "*but for*" the bank's failings. In other words, I need to be satisfied that it is more likely than not that, had Revolut acted as it should have, R would not have suffered the loss it is now complaining about. If the loss would have occurred in any event, regardless of the bank's conduct, then Revolut's failings cannot be said to be the "*but for*" cause of that loss.

I've considered this point carefully and I agree with the Investigator that Revolut ought to have been concerned at the point Mr S asked it to make the first payment in the table above. It was significantly out of keeping with the typical payment activity on the account, was being made to a new payee and that payee was overseas. Taking these factors together, it ought to have occurred to Revolut that R was at risk of financial harm due to fraud.

Any measures a firm takes after identifying a fraud risk should be proportionate to the level of risk posed by the payment. While I acknowledge that Revolut displayed a generic warning as a precaution, I don't consider this to have been a proportionate response in this case. In my view, the firm should have asked him some questions about the payment and then provided a tailored warning reflecting the most likely scam he was being targeted by.

However, as I've explained above, it's not enough to simply find that Revolut fell short. I also need to be satisfied that this failing caused the loss. In this case, I'm not persuaded that a proportionate intervention by Revolut would have prevented the scam. Mr S appears to have carried out a reasonable level of due diligence before making the payment. The scammers deliberately impersonated a genuine company, and I can't realistically see how Revolut could've uncovered that deception. Furthermore, all of Mr S's interactions with the company suggested legitimacy, including an authentic-looking invoice and credible email correspondence.

For completeness, I also considered whether Revolut took all reasonable steps to recover R's funds from the receiving account. Unfortunately, the scam unfolded over several weeks, which is significant because fraudsters typically move stolen funds quickly to frustrate recovery efforts. In reality, I don't think there was any genuine prospect of recovering R's money in this case.

I don't say any of that to downplay the significance of what has happened here. Mr S made a payment in good faith and has instead been the victim of a cynical scam. I have a great deal of sympathy for him and the position he's found himself in. However, my role is to look the

actions and inactions of the firm. In this instance, I'm not persuaded that any error on Revolut's part caused the losses R suffered and so I can't uphold this complaint.

**Final decision**

For the reasons I've explained above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask R to accept or reject my decision before 20 January 2026.

James Kimmitt  
**Ombudsman**