

The complaint

Mr S has complained about Revolut Ltd not refunding several payments he says he made and lost to an authorised push payment (APP) impersonation scam.

What happened

On 18 August 2025, I issued my provisional decision on this complaint. I wanted to give both parties a chance to provide any more evidence and arguments before I issued my final decision. Those provisional findings form part of this final decision and are copied below.

The background to this complaint is well known to both parties, and are also not in dispute, so I won't repeat it in detail here. In summary, Mr S fell victim to an impersonation scam after receiving a telephone call from what he believed to be an agent of Revolut. He was then persuaded to send funds from his account with Revolut to a "safe account", which in fact was a genuine third-party trading platform, the scammer was using to steal Mr S's funds. The total he sent to the scammer was £23,894.39.

Mr S subsequently discovered he had been scammed when he realised his funds were being sent to a trading account, not a secure account to protect him.

Our Investigator reviewed the complaint and upheld it in Mr S's favour. In her view she said Revolut should pay back the second and third successful payment, less 50% for Mr S's contributory negligence. However, when Mr S questioned this our Investigator corrected the redress to include the first successful payment as well – without rational for this change. Regardless of this Revolut accepted, but Mr S disagreed and requested a final decision.

As our Investigator couldn't resolve the matter informally, the case 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.

I'm aware that I've summarised this complaint briefly, in less detail than has been provided, and in my own words. No discourtesy is intended by this. Instead, I've focused on what I think is the heart of the matter here. If there's something I've not mentioned, it isn't because I've ignored it. I'm satisfied I don't need to comment on every individual point or argument to be able to reach what I think is the right outcome. Our rules allow me to do this. This simply reflects the informal nature of our service as a free alternative to the courts.

I don't doubt Mr S has been the victim of a scam here – he has lost a large sum of money and has my sympathy for this. However, just because a scam has occurred, it does not mean he is automatically entitled to full recompense by Revolut.

I've thought carefully about whether Revolut treated Mr S fairly and reasonably in its dealings with him, when he made the payments and when he reported the scam, or whether it should have done more than it did. Having done so, I've decided to partially uphold Mr S's complaint. I know this will come as some disappointment to him and so I will explain below why I've reached the decision I have.

I have kept in mind that Mr S made the payments himself and the starting position is that Revolut should follow its customer's instructions. So, under the Payment Services Regulations 2017 (PSR 2017) he is presumed liable for the loss in the first instance. I appreciate that Mr S did not intend for his money to ultimately go to a scammer – but he did authorise these payments to take place. There are some situations when an Electronic Money Institution (EMI) should have had a closer look at the wider circumstances surrounding a transaction before allowing it to be made. Whilst considering this I will also be examining whether Mr S's actions contributed to what occurred.

Considering the relevant: law and regulations; regulators' rules, guidance and standards; codes of practice; and, where appropriate, what I consider to be good industry practice at the time - 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 payment service providers are generally more familiar with than the average customer.*
- In some circumstances, irrespective of the payment channel used, have taken additional steps, or make additional checks, before processing a payment, or in some cases decline to make a payment altogether, to help protect customers from the possibility of financial harm from fraud.*
- 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.*

So, I've thought about whether the transactions should have highlighted to Revolut that Mr S might be at a heightened risk of financial harm due to fraud or a scam.

I've considered the payments in the context of whether they were unusual or uncharacteristic of how Mr S normally used his account. I've simultaneously kept in mind that the account the funds were being paid to is a legitimate and regulated trading platform – where it's not uncommon for larger amounts to be paid, which Revolut would have been aware from their own data. Having done so, I do not think a single payment to such a destination is unusual. This wasn't a situation where, as our Investigator said, the first payment was identifiably being paid into cryptocurrency, which would have carried more risk than a payment to a legitimate investment company. Although, even if I considered that this payment should have triggered an intervention I would not have expected this to be to the level of a human intervention. I would have expected Revolut to ask Mr S a series of questions and then provide a tailored written scam warning.

However, as Mr S was under the scammer's influence, and since they were on the phone to him at the time of the transactions, I think they would have guided him through how to answer these questions to avoid suspicion. I say this because each time there was an obstacle, such as with payments not going through, the scammer was able to give Mr S reasonable explanations as to why. Even when Mr S was uneasy, the scammer continued to

be able to alleviate his fears enough so that he continued making payments – transferring money between his accounts as necessary to do so. Therefore, I do not think such a written warning at this point would have prevented his losses.

As the payments continued, I think Revolut should have been concerned and intervened again. This time I would have expected it to do so via human intervention. I say this because Mr S then proceeded to attempt another reasonably large payment to this same beneficiary, which was initially declined but then allowed when he attempted it again quickly after. At this point, before allowing the funds to leave the account, Revolut should have contacted Mr S, such as via its in-app chat, to question him. Had Revolut done so I am persuaded it would have prevented Mr S making any further payments.

Should Mr S bear any responsibility for his losses?

The starting point for contributory negligence is considering what a reasonable person would be expected to have done in the circumstances such as this – and whether Mr S's actions fell below that. Considering the full circumstances of what took place I think there were enough reasons for Mr S to have had concerns about the legitimacy of what he was being told. It follows that I think Mr S should've, in light of such concerns, been more cautious before proceeding to send his funds in line with the scammer's instructions.

I say this because the explanation of moving funds under the guise of payments to a third-party, and out of Mr S's own name, was fairly dubious. Even with the explanation that they do this to avoid the hacker obtaining the funds, I think it should have been seen as unusual – especially as this was an unexpected call.

I've also noted it was only after Mr S told the scammers he had another account he was informed that account was also at risk due to spyware. Yet, the previous scam Mr S had fallen victim to did not involve his other account. Nor, as far as I am aware, did it involve downloading something that could have granted the scammer access to all of his accounts. This scenario became even more dubious when Mr S's other account's security would not allow him to send his funds to the "safe account", requiring the funds to be sent via his main compromised account first. Ultimately, spending time moving funds between his accounts, to then send them to a third-party, does not seem a reasonable request to receive.

Additionally, due to Mr S's ongoing unease, which also suggests he was not completely sure of what he was being told, he requested further proof from the scammers. However, after receiving an email he failed to open it. Had he done so, he would have discovered that this email was just a forgotten password email, which anyone could have requested, and not the proof he expected.

I have kept in mind that there were some sophisticated aspects to this scam, such as the spoofing of numbers, and a lot of urgency put on Mr S at the time. However, considering the above points, both individually and collectively, I think there were ultimately enough reasons for Mr S to have had concerns about the legitimacy of this unexpected caller. I do not consider that building trust with the scammer means he is exempt from any liability for what occurred.

I have a great deal of sympathy for Mr S and the loss he's suffered and I want to reassure him that I haven't taken this decision lightly. But as I've explained, I am persuaded there were sufficient red flags which were apparent at the time and so in these circumstances it is fair that both parties equally share responsibility.

Recovery

I have also considered whether, on being alerted to the scam, Revolut could reasonably have done anything to recover Mr S's losses, but I don't think it could. The only method of recovery Revolut has for the payment made by card is to request a chargeback. However, Mr S didn't make the card payments to the scammer directly, he paid a trading platform who appears to have put the funds into the designated account. Although this account isn't one Mr S had access to, it did do what was expected of it and so just because the funds were transferred elsewhere does not mean it would have likely meant a chargeback would have been successful. In such situations funds tend to be removed from the accounts quickly by scammers in order to evade successful recovery. So, this meant Mr S was later only sent a refund of £20.14 (which a proportion of will also be deducted from the award I am making).

So, in light of all of the above findings, there's no fair and reasonable basis under which I can ask Revolut to reimburse the entirety of Mr S's loss.

Putting things right

For the reasons explained, I uphold this complaint, in part, and now ask Revolut to:

- *refund Mr S's second and third successful payments (totalling £14,895.74)*
- *less £12.56 (which is a proportion of the £20.14 already refunded to Mr S)*
- *less 50% for Mr S's contributory negligence*
- *pay interest on this amount calculated at 8% simple per year from the date of loss to the date of settlement (if Revolut Ltd deducts tax from this interest, it should provide Mr S with the appropriate tax deduction certificate).*

Having considered everything, I don't think there is any reasonable basis under which I should award any additional compensation to Mr S.

Revolut did not respond to my provisional decision. Mr S did and disagreed. Briefly, Mr S responded with the following:

- He accepts the deduction for contributory negligence.
- The destination and method of the first transaction was unusual. Although it wasn't to an unregulated cryptocurrency platform it was to a trading platform which still carries risk. The Financial Conduct Authority ("FCA") states that forex and CFD products are unsuitable for most retail clients as they can be exploited through scams.
- Investment scams are causing consumers' average losses of £14,600 and sometimes over £87,000 per day.
- By July 2024, APP fraud was a top regulatory priority due to its exploitation by scammers.
- New legislation was released two and a half months after this scam took place and it requires reimbursement for consumers in the case of APP fraud. Although he accepts this isn't applicable in his case it evidences the level of scrutiny and awareness to such fraud. So, Revolut should have stopped the first payment.
- The payment was highly unusual and out of character as previously the largest transaction within 14 months was his rent payment.
- Another decision was upheld as the Ombudsman said: "I think the first payment was sufficiently unusual and out of character that it ought to have attracted some scrutiny. I don't think [respondent] should've processed that payment without first contacting her to establish the circumstances."
- Similarly, in another case the Ombudsman found payment one should have triggered

an intervention because it was “uncharacteristic” compared to prior account history. The key factor wasn’t the payee’s legitimacy, but the size and unusual nature of the transaction.

- I stated I would have expected Revolut to intervene with a series of questions and tailored warnings at the first payment. Yet as no such intervention occurred from either bank at any stage this point is highly speculative. Revolut’s failure to provide even the most basic protection deprived him of the opportunity to pause and reconsider. Tailored warnings are recognised as critical in breaking the spell of a scammer’s influence.
- The investigator corrected her outcome to include the first payment, and Revolut accepted this. Excluding it now, despite Revolut’s prior acceptance is procedurally inconsistent and leaves him worse off than if he had accepted our Investigator’s initial outcome.

Although I may not comment on each of Mr S’s points individually, I have considered his points fully before reaching my decision.

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.

I agree with Mr S that scams, such as investment scams, have unfortunately caused some account holders to lose a substantial amount of money. However, not all investments, or the companies that own investment platforms, are scams. This includes the company the funds were sent to in this case. Investments can be high-risk and the expectations, amongst others, are on such regulated entities, to ensure retail investors are aware of such risks. But, these are different risks to falling victim to a scam. Funds being sent to such regulated entities do not carry the same risk as firms which, for example, have active scam warnings against them on the Financial Conduct Authority’s register.

This doesn’t mean a financial institution should never pause payments being made to a regulated investment platform. If there are sufficient wider red flags, then the regulatory expectations would be to ensure there are no wider concerns of potential financial harm.

However what scammers will do, is attempt to circumvent fraud prevention measures by making transactions seem legitimate. In Mr S’s case the initial payment, although of course a large amount of money to lose, is not of such a significant amount which in isolation would have seemed unusual to be sent to such a well-known investment platform. Which is why I would not have considered it necessary for a human intervention to have occurred from payment one. As above, I am not persuaded, based upon Mr s’s actions during this unfortunate scam whilst on the phone with the scammer, that the scammer would not have manoeuvred him through the questions to avoid suspicion being raised with Revolut.

I’ve noted Mr S has referenced decisions that he believes are close to his circumstances. However, we consider each case on its own individual merits and although he believes the circumstances of other decisions seem to be similar, there are key differences.

Although I am sorry to disappoint Mr S with my findings, when an Investigator’s outcome is rejected by either party, the full file is then considered by an Ombudsman. The outcome by the Investigator does not set the precedent for what the final decision will be. This is not procedurally unfair, it ensures if either party appeals that they do receive the service expected – a fully impartial review of all points.

This was a cruel scam and I am sorry to hear of the losses Mr S faced. However, it would not be reasonable for me to hold Revolut accountable for them all. Therefore, my decision remains the same.

Putting things right

For the reasons explained, I uphold this complaint, in part, and now ask Revolut to:

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- less 50% for Mr S's contributory negligence
- pay interest on this amount calculated at 8% simple per year from the date of loss to the date of settlement (if Revolut Ltd deducts tax from this interest, it should provide Mr S with the appropriate tax deduction certificate).

My final decision

For the reasons outlined above I am partially upholding this complaint against Revolut Ltd.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 2 October 2025.

Lawrence Keath
Ombudsman