

The complaint

Mr P 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 P fell victim to a cruel purchase scam. After seeing an advert on social media, he agreed to purchase a vehicle from a scammer and made the following transfers from his Revolut account in February 2024:

No.	Date	Amount (Euros)
1	20 Feb	1,500
2	20 Feb	4,500
3	20 Feb	3,000
4	21 Feb	3,450

Mr P reported the scam to Revolut on 22 February. It was able to recover 1,500 Euros from the receiving bank but the rest of the money was lost.

My provisional decision

After the complaint was referred to me, I issued my provisional decision setting out why I thought it should be partly upheld. My reasons were as follows:

There's no dispute that Mr P authorised these payments. 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.

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 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. 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;*
- 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, or provided additional warnings,*

- before processing a payment;
- have been mindful of – among other things – common scam scenarios, how 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.

Taking these points into account, I need to decide whether Revolut acted fairly and reasonably in its dealings with Mr P.

The payments

One of the key features of a Revolut account is that it facilitates payments that sometimes involve larger amounts and/or transfers to overseas accounts and I must take into account that many similar payment instructions it receives will be entirely legitimate. I also need to consider Revolut's responsibility to make payments promptly.

Having considered what Revolut knew about payments 1 and 2 at the time, I'm not persuaded it ought to have been particularly concerned about them. Revolut has said it showed Mr P a message asking him to confirm he knew and trusted the payee and warning that he might not be able to get his money back if he was paying a fraudster. While the payments were for larger amounts, I don't think the amounts involved were so large at this point that further intervention was warranted.

In reaching this conclusion, and in addition to taking account of the amounts involved, I'm mindful that the payments appeared to be going to a company – rather than to cryptocurrency, which would have presented a higher risk of fraud – and the account history shows Mr P made multiple payments to overseas accounts, meaning these payments wouldn't have seemed especially unusual.

Payment 3, however, was Mr P's third large payment to the same payee on the same day and I think this is the point at which Revolut should have identified he may be at risk of harm from fraud.

While Revolut appears to have recognised this risk and asked questions about the payment, the investigator concluded this intervention should have more robust and that this would have enabled it to uncover the scam and prevent any further loss. Revolut has accepted this view and I won't repeat the reasoning here.

I've also considered whether it would be fair and reasonable for Mr P to bear some responsibility for his own losses. I've reviewed the evidence carefully and, while I accept he believed these payments were being made in connection with a legitimate purchase, I don't think that belief was a reasonable one throughout the course of the scam.

In particular, I'm conscious of the following points:

- Mr P was purchasing a vehicle he hadn't seen in person from someone he'd only recently met online.
- His representative has said that payments 3 and 4 were for additional fees that hadn't been agreed at the outset.

- *It's also said he felt uneasy about the fee being requested in relation to payment 4 and this is reflected in his text messages with the scammer, in which Mr P did say he was 'worried' at this point.*
- *Revolut had shown Mr P a series of warnings relating to purchase scams before payment 3 was processed. While it's accepted that it could have gone further with its questioning about the payment, its warnings did cover some common features of purchase scams that he should have recognised in his own situation.*

Despite these red flags, he continued with the payment.

In the circumstances, I think Mr P ought to have proceeded only with great caution. If he'd carried out any further research, for example online searches, I think he'd have quickly discovered his circumstances were similar to those commonly associated with purchase scams. Overall, I think it's fair and reasonable for Revolut to make a 50% deduction from the redress payable.

It's not clear exactly when this happened, but while Mr P was talking to the scammer he did mention that he'd been contacted by someone on social media warning him that this was a scam. If this happened before any of the payments were made, it would only reinforce my conclusion that he should bear some responsibility for his losses.

Recovery of funds

I've also looked at whether Revolut could or should have done more to try and recover Mr P's losses.

On balance, I'm satisfied Revolut took reasonable steps to recover Mr P's money once it was notified of the fraud on 22 February by promptly contacting the receiving bank. Unfortunately, it was only able to recover 1,500 Euros. But 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 and it's not a surprise that only a partial recovery was possible.

In the circumstances, I don't think anything that Revolut could have done differently would likely have led to more money being recovered.

In conclusion

For the reasons I've explained, I don't think Revolut acted fairly and reasonably in its dealings with Mr P and I'm proposing to uphold this complaint in part. While I don't think it acted incorrectly in processing payments 1 and 2 in line with his instructions, if it had carried out an appropriate intervention before payment 3 debited his account, I'm satisfied payments 3 and 4 would have been prevented.

The responses to my provisional decision

Mr P accepted my provisional decision and Revolut had nothing further to add.

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.

As neither party has made any further submissions, my findings haven't changed from those I set out previously.

Putting things right

The principal aim of any award I make must be to return Mr P to the position he'd now be in but for the errors or inappropriate actions of Revolut, while allowing for any responsibility he should reasonably bear. If Revolut had carried out an appropriate intervention, it's accepted that the scam would have been stopped and Mr P would have retained the money that was lost from payments 3 and 4. As outlined above, I've applied a 50% deduction to the amounts to be refunded in recognition of Mr P's own contribution towards the loss.

I also need to take account of the money Revolut was able to recover after the scam was reported. Given Mr P fell victim to a scam and his purchase wasn't genuine, I don't think this money should be attributed to any specific payment. Instead, I think it should be deducted from the amount lost by apportioning it proportionately across all of the payments made to the scam. This ensures that the amount recovered is fairly distributed.

To put things right Revolut should pay Mr P compensation of $E + F$, where:

- $A = 12,450$ Euros, representing the total of the payments to the scam;
- $B = 1,500$ Euros, representing the amount returned to him;
- $C = 10,950$ Euros, representing the total loss to the scam ($A - B$);
- $D = 88\%$, representing the proportion of A that was lost to the scam (C divided by A);
- $E =$ a refund of 44% of each of payments 3 and 4, representing a 50% refund of the proportion of these payments that were lost to the scam; and
- $F =$ simple interest on each amount being refunded in E at 8% per year from the date of the corresponding payment to the date compensation is paid.

Interest is intended to compensate Mr P for the period he was unable to use this money. HM Revenue & Customs (HMRC) requires Revolut to deduct tax from any interest. It must provide Mr P with a certificate showing how much tax has been deducted if he asks for one.

I'm satisfied this represents a fair and reasonable settlement of this complaint.

My final decision

My final decision is that I partly uphold this complaint. Subject to Mr P's acceptance, Revolut Ltd should now put things right as I've set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 13 October 2025.

James Biles
Ombudsman