

The complaint

Mr R complains that Revolut Ltd won't refund the full amount of money he lost to a scam.

What happened

The background to this complaint is well-known to both parties, so I won't repeat it in detail here. But in summary and based on the submissions of both parties, I understand it to be as follows.

Mr R complains that he made three payments to what he thought was a legitimate investment. When Mr R realised he had been scammed, he logged a complaint with Revolut.

Revolut looked into the complaint but didn't uphold it. It didn't think it had done anything wrong by allowing the payments to go through, after it had given Mr R warnings. So, Mr R brought his complaint to our service.

Our investigator looked into the complaint but also didn't uphold it. As Mr R didn't agree with the investigator's view, the complaint has been passed to me for a final 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.

Having done so, I've come to the same outcome as the investigator for largely the same reasons. I'll explain why.

I'm very 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 focussed on what I think is the significant part here. If there's something I've not mentioned, it isn't because I've ignored it. I haven't. 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.

In broad terms, the starting position at law is that an Electronic Money Institution ("EMI") such as Revolut is expected to process payments and withdrawals that a customer authorises it to make, in accordance with The Payment Services Regulations (in this case the 2017 regulations) and the terms and conditions of the customer's account.

But, taking into account relevant law, regulator's 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 January 2024 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.
- 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 – (as in practice Revolut sometimes does including in relation to card payments).
- 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.

In the circumstances of this complaint, Revolut did intervene on the payments Mr R made to the scammer. On the first two payments Revolut asked Mr R a series of questions to get a better understanding of the payment purpose and then gave him warnings relevant to his answers.

Mr R put the payment purpose as “goods and services.” This led to Revolut giving Mr R relevant warnings for the purpose he selected. Mr R told Revolut he had met the individual he was paying in person, and he wasn’t being assisted in how to answer its questions.

On the third payment, Revolut identified the payment as suspicious and again asked Mr R a series of automated questions to get a better understanding of the payment purpose. Mr R then spoke to a Revolut advisor on its chat function and went on to say that he was paying for a property service abroad - which we now know wasn’t accurate. This would have seemed plausible to the advisor given he was making international payments. The payment purpose also matched the earlier answers he had given the automated system and Mr R confirmed again he wasn’t being guided or assisted by anyone.

Mr R wasn’t being accurate or forthcoming with the true purpose of the payments. Revolut was giving warnings based on the information it had, and Mr R was reassuring it that he was comfortable with who the payments were going to.

Mr R has sent us screen shots of his conversations with the scammer, and it’s clear he is sharing the questions the banks asking with the scammer and then following their direction on how to answer them without alerting the bank to what he was really up to. Mr R also told our investigator that he was being guided and coached by the scammer.

Revolut only spoke to Mr R on the last payment he sent, but I’ve not seen anything to convince me that Mr R would have answered the questions any differently or decided not to share information and follow the scammers instructions if they had spoken to him earlier.

Therefore, taking everything into account, I don’t think Revolut could have prevented Mr R’s loss. Revolut relies on its customer giving accurate answers to its questions to assist it in

giving relevant warnings - and Mr R was concealing the true purpose of why he was making the payments.

I understand Mr R has said he was under pressure from the scammer to make the payments, but he was still misleading Revolut, and it wouldn't have been apparent to the Revolut advisor based on the answers he was giving.

So, based on everything I've said above, I'm not convinced Revolut would or should have been able to uncover this scam or prevent the payments from being made.

Recovery

Revolut did try to recover the payments made as part of the scam, but the receiving bank firstly didn't respond, then said the money had all been moved on. Sadly, it is quite typical with these types of scams for fraudsters to move money away from the beneficiary account, straight after the payments are made, presumably to frustrate the efforts at this type of recovery.

Mr R feels that Revolut should refund the money he lost due to the scam. I understand that this will have been frustrating for him, but I've thought carefully about everything that has happened, and with all the circumstances of this complaint in mind I don't think Revolut needs to pay Mr R any compensation. I realise this means Mr R is out of pocket and I'm sorry he's lost this money. However, for the reasons I've explained, I don't think I can reasonably uphold this complaint.

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 R to accept or reject my decision before 28 October 2025.

Tom Wagstaff
Ombudsman