

## **The complaint**

Z, a trust, complains that Revolut Ltd have declined to refund them for funds they lost to an email intercept scam.

Z has appointed professional representatives for this case. But for ease of reading I'll refer mostly to Z and the trustee, Mrs C.

## **What happened**

In April 2023 Z wanted to move £120,000 for investment purposes, and arranged to make a payment to their IFA. Mrs C received details from the IFA's email address for a business account held with Revolut. Her bank then sent the funds from Z's bank account, along with a payment of £70,000 from a related trust's account.

Several months later Mrs C discovered that the IFA had never received the funds. It came to light that the IFA's emails had been intercepted by a fraudster. Z's bank contacted Revolut, but no funds remained to be returned.

Mrs C complained to Revolut on behalf of Z, saying that Revolut should not have allowed the account to be opened, and failed to properly monitor the activity on the account. She asked Revolut to refund Z's losses. Revolut responded to say that they carry out appropriate checks when opening new accounts and could not have anticipated this account would be used to receive fraudulent funds. They felt they had acted appropriately when they received the fraud report from Z's bank, and did not offer to do anything further.

Not satisfied with this answer Mrs C referred Z's complaint to our service. One of our investigators looked at what happened, and thought the complaint should succeed. She found that when the funds had arrived with Revolut, they had reviewed their customer's entitlement to the funds, but had been satisfied with a copy of loan agreement referencing Z. But she wasn't persuaded Revolut had done enough to verify that their customer was entitled to the funds, and the subsequent account activity should have prompted further action.

She thought Revolut missed an opportunity to prevent Z's losses, so recommended Revolut refund 50%, plus the interest Z would likely have lost out on from the intended investment.

This was accepted by Mrs C. But Revolut disagreed, and as such the case was passed to me to decide.

After reviewing the file, I asked for some additional information, and let Revolut know about my concerns as to whether their account holder was entitled to run a business in the UK. Revolut still did not see they'd done anything wrong. I issued a provisional decision that said:

*Here, the general facts of the case aren't in dispute – that the Revolut account was used to receive funds from Z's account, that came about from authorised push payment (APP) fraud.*

*Z doesn't have a direct relationship with Revolut and I'm not intending to suggest Revolut have a duty of care to them. But our service can consider complaints about payment service providers that receive funds from APP fraud. Where I'm satisfied that there has been a failing that can be said to be the cause of the loss suffered, it's fair and reasonable to ask that this be put right.*

*As a payment service provider Revolut are expected to be alert to various risks in relation to the payment accounts held with them. The expectation is that they have systems and controls in place to monitor accounts and payments for signs of financial harm, such as money laundering, fraud and scams. I'm satisfied that at the time of the transaction from Z, Revolut had these systems in place, as we know they did question their customer after the funds were received. But I need to consider whether Revolut did enough to prevent Z's losses from this fraud.*

#### *Account opening*

*The account held with Revolut was a business account, held in the name of a limited company. I can see from Companies House that this company was incorporated shortly before the account was opened.*

*Revolut received identification from the individual, and the name matches the director listed on Companies House. Revolut confirmed to our service that they would no longer accept this type of identification when opening business accounts but have said this change came about in 2024. Given that, it might be reasonable to say Revolut should have carried out further checks before proceeding with the application.*

*But I note though that the Revolut account was used to transfer funds to another account in this business' name with a different payment service provider. So, even if Revolut had rejected the account opening, it's likely that the fraudster would have been able to give Z these other fraudulent account details. So, I'm not persuaded this directly leads to Z's loss.*

#### *Transaction monitoring*

*But we know that when the funds arrived Revolut asked their customer to demonstrate their entitlement to the funds. They provided a loan agreement between the business and an entity with a name very similar to Z. Revolut have relied upon this when deciding to release the funds. I see that would be reasonable in the circumstances, given that new businesses must be funded somehow. In the absence of any other concerns, I don't see that this was a specific failing by Revolut.*

*But, even after this point I see that the account activity ought reasonably to have given Revolut concerns. The first payment out is a card payment for £17.30, which wouldn't reasonably have attracted attention. The next is a payment for £9,988.14 to a money remittance firm. This is followed within two minutes by two rapid payments of £7,963.30 each to different money remittance firms.*

*I can accept loan funds – as these would appear to be to Revolut – may possibly be utilised rapidly. But I see that the use of several different money remittance firms in less than two minutes fits a pattern of fraud and is a strong indicator of potential misappropriation of funds. Especially as the account had only relatively recently been opened, and the payment in was higher than the expected turnover.*

*After the second payment of £7,963.30 at 18:59 Revolut ought reasonably to have prevented any further payments from the account. I do not see it would have been likely that the accountholder could have given a reasonable explanation for the account activity.*

*Given the obvious risk I see it would have been reasonable for Revolut to contact the sending bank and confirm if Z was genuinely intending to pay their customer and for what purpose. Had this been done the scam would have come to light, as Mrs C would have been able to explain they were not lending, and the name she would've given for who she was paying wouldn't have matched the recipient accountholder's details. She also would have been able to confirm with Z's IFA that the payment hadn't been received.*

*As such, I see that Revolut missed an opportunity to prevent Z's losses here. It's reasonable for them to take some responsibility in refunding Z.*

#### *What's fair redress?*

*I've considered whether Z should also share any liability – through any contributory negligence on Mrs C's part. But here I'm not persuaded that would be reasonable. She had attempted to make the payment based on the instruction received. There's nothing considerably alarming about the email, as it broadly matches the tone and wording used in genuine emails. And Mrs C was expecting to make this payment for the purposes of Z's investments. Overall, I don't see that she has been particularly negligent in agreeing to this payment.*

*At the time that Revolut ought to have intervened, the balance would have been £164,090.96 – although some of the funds were paid in by a different victim at the same time as Z's.*

*In these specific circumstances as there are only two victims, and their funds arrived on the same day I think the fairest way to split the loss Revolut could've prevented is in the same proportions as the funds paid into the account.*

*As Z's funds represented 63% of the balance, I see that Revolut could have prevented a loss of £103,377.31.*

*However, I've also considered Z's linked complaint about their own bank's actions, in which I've found they failed in transaction monitoring and could've prevented Z's loss.*

*So given both Revolut and Z's own bank have failed in the same regard (transaction monitoring) I think it's fair and reasonable that the sum of £103,377.31 that both could've prevented is apportioned with each paying 50%. For Revolut this means a sum of £51,688.65.*

*As Z was intending on investing, it would also be appropriate for Revolut to pay the returns that could have been achieved from the point Revolut could reasonably have returned the funds to Z. Looking at it, I see that it's likely that the funds could have been returned within two weeks of the account being blocked. By this point Mrs C would have been able to confirm they were fraudulent, and I don't see that Revolut's customer would have been able to provide proof of entitlement.*

*In terms of the interest, I understand the product Z were intending to invest in had variable return rates and involved splitting the funds up to get the best returns. So, it's unlikely that I'll be able to put an exact figure on it. But I note the IFA was originally suggested an interim rate of return on 1.8%, which doesn't seem unrealistic or unachievable to me. As I cannot be certain of what rate it would have achieved, I would suggest this is the rate used.*

This was accepted by Z. Revolut did not provide any further comments before the deadline.

### **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.

In the absence of any new evidence or points for me to consider by either party, I remain satisfied with the conclusions reached in the provisional decision. I see that there is a loss to Z that Revolut could reasonably have prevented, and it's right that they new refund Z in part.

### **Putting things right**

To resolve this complaint Revolut ought to refund Z £51,688.65. They should also add 1.8% simple interest to this amount, from two weeks after the payment to the date of settlement.

### **My final decision**

My final decision is that I uphold this complaint and direct Revolut Ltd to settle it as outlined above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Z to accept or reject my decision before 28 October 2025.

Thom Bennett  
**Ombudsman**