

The complaint

Ms R complains that Revolut Ltd did not reimburse the €370,000 she lost to a scam.

What happened

Ms R had employed the services of a financial management group I will refer to as 'X' to help her invest some funds following the sale of a property she owned. They advised her to invest in a life insurance product, and she decided to transfer her investment in two separate tranches. She sent an initial payment of around €210,000 to an account based in Ireland in the name of the life insurance company. This was via a third-party account. Ms R continued corresponding with her contact at X about the second tranche of the funds she was investing, and they gave her some different account details to send the funds to, this time to an account in Poland. She therefore sent €370,000 from her account with Revolut to the account in Poland on 31 January 2024.

Around a week later, Ms R chased the contact at X to see if the funds had been received in the investment. It was at that point the contact at X confirmed they had not sent an e-mail requesting funds be sent to Poland and that it appeared X's e-mails had been intercepted. Ms R contacted Revolut on 8 February 2024 and asked them to urgently recall her funds. Revolut attempted to do so but was unsuccessful. They also informed Ms R they would not be reimbursing her with the funds she had lost.

Ms R referred her complaint to our service. Our Investigator looked into it and felt Revolut should have intervened in the payment of €370,000. And they thought it was more likely an intervention would have uncovered the scam in the circumstances. So, they felt Revolut should reimburse Ms R with the amount she lost, plus 8% simple interest from the date of the transaction to the date of settlement.

Revolut did not agree with the outcome. In summary, they felt X should have provided warnings to Ms R, and they did not think the payment was unusual when compared to Ms R's genuine account activity. They offered to reimburse 33% of Ms R's loss as they thought the account provider she had used to credit her Revolut account should also share responsibility for the losses, who I will refer to as 'H'.

The complaint was passed to a new Investigator, and they issued a second view endorsing the initial findings. Revolut again did not agree with the findings and felt any warnings provided by H should also be taken into consideration.

As an informal agreement could not be reached, 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.

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, 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.

Should Revolut have recognised that Ms R was at risk of financial harm from fraud?

I have reviewed Ms R's Revolut statements and compared the scam payment to her genuine account activity. Revolut have said the payment was not out of character as Ms R made other high value international payments. Having carefully looked over the statements I can see the majority of the activity on the account was her exchanging GBP into euros. This was therefore moving to a different currency within Revolut and was not physically leaving the account.

There were three high value payments of €100,000 that went out of Ms R's Revolut account between 28 December 2023 and 4 January 2024. These went to an existing payee on the account, who is Ms R's father. While I therefore accept that Ms R did make some high value transfers out of the account, these were going to an existing payee and were still significantly lower than the scam payment of €370,000. Considering the significant value of the scam payment and the fact it was going to a new international payee, I think Revolut should have recognised Ms R could be at risk of financial harm and intervened in the payment. And I think this should have been a human intervention in their in-app chat.

What did Revolut do to warn Ms R?

Revolut has provided evidence showing the warning it did provide to Ms R prior to the payment being processed. This was a new payee warning that said:

"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. Remember that fraudsters can impersonate others, and we will never ask you to make a payment"

While this warning does contain some information relevant to Ms R's circumstances, the warning isn't particularly prominently displayed, requires no interaction or real engagement from the customer and, in my view, lacks sufficient context to have been impactful in the circumstances of this case. On balance, I don't think this was a proportionate response to the risk level the payment posed.

What kind of warning should Revolut have provided and would this have prevented her loss?

As set out above, I think that considering the significant value of the payment and the fact it was going to an international account, a human intervention would have been appropriate in this case. I therefore think Revolut should have referred Ms R to the in-app chat to discuss the payment further.

Invoice intercept scams are well known across the industry so I would have expected Revolut to be on the lookout for signs of this type of scam. In this case, I think there were a number of red flags that Ms R may be falling victim to this scam, and a firm warning should have been provided as a result.

I would expect Revolut in the first instance to have asked how Ms R obtained the payee details, especially for a payment of this value. Ms R had gotten the payee details from an e-mail, which is susceptible to interception and therefore this type of scam. I then would have expected Revolut to ask Ms R if she had made payments to the same payee previously, to establish if any important details had changed. In this case, Ms R had paid the genuine company previously, which is based in Ireland. I therefore think Revolut should have had serious concerns that Ms R had now been asked to pay an account in Poland instead, which is a significant change in payee details.

I can see that Ms R had initially been speaking with the genuine business via e-mail and at some point, the e-mails were intercepted and a new e-mail address was used by the scammer which was almost identical to the original but included one extra letter. As the e-mails appeared in the same genuine chain and the change in e-mail address was minimal, I can understand why Ms R did not notice something was wrong. However, I think a clear warning from Revolut about intercept scams and how they work could have led Ms R to check the e-mail address of who had contacted her in more detail, which could have led to the scam being revealed. Along with a clear warning explaining how invoice intercept scams work, I also would have expected Revolut to advise Ms R to telephone the business she was dealing with using the details they originally provided to her, to double check the instructions she had been given.

On balance, I think a clear warning of this nature would have been enough to reveal the scam and prevent the payment of €370,000 being sent to the scammer.

I note that Revolut has said any warnings provided by third-party banks should also be considered. The third-party bank which Ms R used to credit the Revolut account has said it did not intervene in any of the transfers made to the Revolut account. And Ms R made the initial transfer to the genuine company almost two weeks prior the scam payment, so I don't think any warnings provided to her at that point are relevant. A warning about an APP scam should be timely so I do not think a relevant warning provided on a genuine payment two weeks prior has a bearing on what Revolut needed to do on the €370,000 payment.

It should also be noted that X did not provide Ms R with a warning about intercept scams when they provided the initial instructions to her.

Is it fair and reasonable for Revolut to be held responsible for Ms R loss?

While I have considered all of the facts of the case, including the role of other financial institutions involved, Ms R has chosen not to complain about any other firm and I cannot compel them to do so. And, I do not think it would be fair to reduce Ms R's compensation because she has only complained about one firm, as I consider that Revolut should have prevented the loss.

Should Ms R bear any responsibility for her losses?

I've finally considered whether or not Ms R should reasonably bear some responsibility for the losses as a result of any negligence in her actions and if it is therefore reasonable for me to make a reduction in the award based on this. In doing so, I've considered whether Ms R has acted as a reasonable person would to protect herself against the loss she suffered.

On balance, I do not think any reduction in the redress is reasonable in the circumstances of this case. Ms R fell victim to a sophisticated scam in which scammers had intercepted the e-mails of an established and reputable company. I think the amendment to the genuine e-mail was small enough that I would not have expected Ms R to notice it without careful

inspection, and I would not have expected her to do this when the scam e-mail appeared in the same chain as the genuine one. I therefore do not think Ms R has acted unreasonably and I do not think she should share liability for the loss she incurred.

Recovery of funds

Ms R has expressed dissatisfaction with the way Revolut handled her recovery claim for the funds. I can see that Revolut did contact the receiving bank quickly after they were made aware of the scam and they did chase appropriately as I would have expected.

Unfortunately, as Ms R paid an international bank there are not the same requirements for a response which would exist if she paid a UK one. When the receiving bank did finally respond, they explained they would not return the funds for legal reasons, but did not elaborate on this. While Revolut could have kept Ms R better informed along the way, overall I think they attempted to recover her funds in a timely manner.

Putting things right

Revolut Ltd should now reimburse the full loss of €370,000 to Ms R and it should also include 8% simple interest from the date of the transaction to the date of settlement.

If Revolut considers that it's required by HM Revenue & Customs to deduct income tax from that interest, it should tell Ms R how much it's taken off. It should also give Ms R a tax deduction certificate if she asks for one, so she can reclaim the tax from HM Revenue & Customs if appropriate.

My final decision

I uphold Ms R's complaint and direct Revolut Ltd to pay the redress outlined above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms R to accept or reject my decision before 27 November 2025.

Rebecca Norris

Ombudsman