

The complaint

Mr M complains Revolut Ltd (“Revolut”) hasn’t refunded funds he says he lost as the result of a scam.

What happened

Both parties are familiar with the circumstances of the complaint, so I’ll only summarise the details here.

Mr M explained he has an art portfolio that he wished to sell and made some enquiries with companies about this. He said he was contacted by someone purporting to be from a well-known art dealer who we now know was a scammer. The scammer told Mr M he was given his details from the company Mr M purchased the art from and he had an interested buyer overseas who was offering £2,500,000 for Mr M’s collection.

Mr M said he carried out due diligence to ensure the legitimacy of the offer. The scammer gave his name and the dealer he worked for and when Mr M checked online, he found a person matching the name the scammer had given, working for the art dealer he said he did. Mr M said he also contacted the company he purchased the art from which reassured him the company the scammer claimed to be working for was definitely a genuine company. He also found it was listed on Companies House.

Mr M said he and the scammer communicated over several days and built a trusting relationship having been impressed by his professionalism and expertise. Mr M said the scammer was able to competently answer all his questions which instilled confidence that the scammer was legitimate. Mr M decided to accept the buyer’s offer, he was given paperwork regarding the sale and was told he needed to secure the sale by depositing £500,000 in an escrow account which would be returned after the sale. Mr M said he found this plausible as he is aware the art dealer the scammer was claiming to work for charged an upfront premium. He said he intended to send this in one payment but due to account limits he decided to send it over several smaller payments.

Mr M told us he funded the scam by selling shares and the funds were paid into his Revolut account. I’ve seen in June 2023 he made many high value payments to two payees over ten days. I’ve seen the lowest value payment was for £25,000 and the highest value payment was for £120,000. Several payments were refunded by the merchant and some either failed or were declined.

Mr M said he was asked to make a payment to cover VAT and when he told the scammer he couldn’t pay this, they said the deal had fallen through and he’d be refunded. However, the scammer stopped communicating with Mr M at which point he realised he’d been scammed.

Mr M complained to Revolut, and his complaint wasn’t upheld. Unhappy with Revolut’s response, Mr M raised the matter with the Financial Ombudsman Service. One of our Investigators looked into the complaint and didn’t uphold it.

As an 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.

I'm sorry that Mr M has been the victim of a scam. I realise he's lost a significant sum of money and I don't underestimate the impact this has had on him. And so, I'd like to reassure him that I've read and considered everything he's said in support of his complaint. But I'll focus my comments on what I think is relevant. If I don't mention any specific point, it's not because I've failed to take it on board and think about it, but because I don't think I need to comment on it to reach what I think is a fair and reasonable outcome. I know this will come as a disappointment to Mr M but having done so, I won't be upholding his complaint for broadly the same reasons as our Investigator. I'll explain why.

In broad terms, the starting position at law is that banks and other payment service providers are expected to process payments and withdrawals that a customer authorises it to make, in accordance with the Payment Services Regulations and the terms and conditions of the customer's account.

Mr M authorised the payments in question here – so even though he was tricked into doing so and didn't intend for his money to end up in the hands of a scammer, he is presumed liable in the first instance.

But as a matter of good industry practice, Revolut should also have taken proactive steps to identify and help prevent transactions – particularly unusual or uncharacteristic transactions – that could involve fraud or be the result of a scam. However, there is a balance to be struck: as while banks and Electronic Money Institutions (EMIs) should be alert to fraud and scams to act in their customers' best interests, they can't reasonably be involved in every transaction.

I've also thought about the Contingent Reimbursement Model which is a voluntary code. As Revolut isn't a signatory the code isn't relevant here.

I've thought about whether Revolut acted fairly and reasonably in its dealings with Mr M when he made the payments, or whether it should have done more than it did. In doing so I've considered what Revolut knew about the payments at the time it received Mr M's payment instructions and what action, if any, Revolut took prior to processing the payments. And where I find Revolut ought to have done more, I've considered if doing so would have prevented Mr M's losses.

Revolut intervened on some of the payments and spoke with Mr M via its in-app chat. I'm satisfied Revolut should have intervened on more payments than it did and that some of the interventions it did, didn't go far enough. However, where Revolut intervened via its in-app chat and asked Mr M for the purpose of the payment he said it was to purchase artwork which we know wasn't the case. Mr M told Revolut he was making an investment in artwork; he repeatedly says that he's buying modern artwork from an American collector who is using a UK agent. He also tells Revolut he has a portfolio of modern art and if he can complete it, he'll be able to sell the whole portfolio for £2,500,000.

A firm's intervention relies on a customer giving accurate information so it can assess the risk of a payment and the circumstances around it. When that doesn't happen, as is the case here, it can impact the actions a firm takes.

We know Mr M was actually selling his artwork. Making such large payments to do so is a red flag and indicative of a scam, however Revolut weren't aware of the true reason for the payments because Mr M didn't tell it when he was asked.

I can't be sure what would have happened if Revolut had probed further during earlier interventions so I have to make my decision on the balance of probabilities of what I think would more likely than not have happened if it had. And I think, on balance, if Revolut had gone further during earlier interventions, it wouldn't have made a material difference to the outcome as I believe Mr M would have told Revolut he was buying art. And in those circumstances the values of the payments aren't as suspicious.

Additionally, Mr M has been clear that he thought he was dealing with a legitimate well-known art dealer, and he'd received paperwork regarding the sale. The circumstances of having been contacted by an art dealer who'd obtained his details from the dealer Mr M purchased the works from is plausible in the circumstances. Especially given Mr M had already made enquiries to sell his pieces. Having carried out reasonable due diligence the scam seemed genuine to him, and I think if the details around the circumstances of the scam had been discussed with Revolut it wouldn't have changed things as the circumstances Mr M has described are plausible. So, while Revolut could have given Mr M general fraud and scam advice in relation to investing, given the research he says he had completed, I'm not satisfied it would have led to a different outcome or Mr M finding anything negative.

I believe in order to uncover this sophisticated scam Revolut would have needed to know that Mr M was in fact selling his art. I'm not saying that knowing this information would have led to a different outcome, but from what I've seen this is the only part of the scam that wasn't plausible. And Revolut not being aware of this fact effected its ability to uncover the scam.

As I don't think Revolut could have prevented Mr M's losses, I don't think it's reasonable to hold it liable for them.

Recovery

I've thought about whether there's anything else Revolut could have done to help Mr M — including if it took the steps it should have once it was aware that the payments were the result of fraud.

Revolut said it attempted to recover Mr M's funds, and the beneficiary banks weren't responsive. It could be argued that Revolut ought to have attempted to recover Mr M's funds sooner than it did but even if it had I don't think it would have made a difference as I'm not persuaded the beneficiary banks would have responded.

Also, scammers typically move money on quickly to avoid having it returned to their victims and Mr M contacted Revolut about the scam in November 2023. Given the time between the payments being made in June 2023 and the fraud being reported to Revolut I don't think there was any chance of successful recovery of Mr M's funds.

I'm sorry to disappoint Mr M further, 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 refund his money or pay any compensation. I realise this means he's out of pocket and I'm really sorry Mr M'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 do not uphold this complaint against Revolut Ltd.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 5 December 2025.

Charlotte Mulvihill
Ombudsman