

The complaint

Mr K complains that Revolut Ltd didn't do enough to protect him when he lost money to a scam.

In bringing this complaint Mr K has been supported by a professional representative that I'll refer to as 'C'.

What happened

The background to this complaint is familiar to both parties and so I'll only refer to some key events here.

In February 2024, Mr K fell victim to a safe account scam, which led to him transferring £275,000 into his Revolut account, from a bank account held elsewhere, and then making approximately £322,000 worth of payments out of the account, which were lost to the scam.

Mr K explained he was contacted by someone purporting to be from his credit card provider's fraud department. He said over the course of many hours of phone calls he was subjected to high-pressure tactics and manipulated into believing his credit card and bank accounts weren't safe and that he needed to transfer money to "*safe accounts*" to secure his funds.

On the guidance of scammers, Mr K then instructed, or authorised, a series of more than 50 transactions from his Revolut account to third-party accounts; a legitimate money remittance service; and a series of legitimate merchants, believing the funds were not actually going to those destinations but were being masked as random payments that were being placed in an "*escrow/holding account*" and would be returned to him.

Mr K said he realised he'd been scammed when he was told by the scammer to visit a bank branch to meet with a fraud specialist but later discovered the person did not exist. At this point Mr K reported the scam to Revolut and asked for help recovering his losses. Revolut said it was unable to reimburse any of his losses as he'd authorised the transactions from his account. Unhappy with its response, Mr K complained that Revolut had failed to take sufficient steps to protect him from the scam.

Revolut rejected Mr K's complaint. It said it had executed Mr K's payment instructions as instructed and authorised. It said it had also provided Mr K with warnings when instructing many of his payments, but that he had provided it with inaccurate answers which prevented it from uncovering the scam and had chosen to proceed with the payments despite the risks identified. Unhappy with Revolut's response, Mr K referred his complaint to the Financial Ombudsman, with support from C.

Our Investigator didn't uphold the complaint. She explained why she was persuaded all the payments related to the scam would be considered authorised under the Payment Services Regulations (PSRs). She noted that while Mr K had not personally instructed each payment, he had knowingly provided the scammer with sufficient details to instruct payments on his

behalf. She also explained that while she would have expected Revolut to intervene in a number of Mr K's payments, given their values, she was not persuaded that proportionate intervention would have prevented Mr K's loss, as there was evidence that Mr K repeatedly misled Revolut (and his bank) about the purpose of his payments and ignored warnings that ought to have resonated with him.

Mr K disagreed and asked for an Ombudsman's final decision. He asked that the case be reconsidered on the following grounds:

- He'd fallen victim to a highly sophisticated scam where he was directed on what to tell his bank in order to bypass fraud controls.
- Revolut's warnings were generic, untailored and ineffective in alerting him to the specific scam he was facing.
- The payments to the scam were high value and unusual for the account, but he was allowed to make them without intervention beyond generic warnings.
- Revolut didn't call him to discuss the transactions, and had it done so it could have uncovered the scam.
- A number of the beneficiaries have since been investigated by the police and been found to not be legitimate businesses. Revolut should have spotted the red flags when the payments were made.
- Revolut's response after he reported the scam was inadequate and slow.
- The Financial Ombudsman has made it clear that victims should not be blamed for the psychological manipulation used by fraudsters

Our Investigator explained why she wasn't minded to reach a different outcome, and so the complaint has now been passed to me to decide.

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'm not upholding this complaint, and for largely the same reasons as our investigator. I realise this will come as a disappointment to Mr K, not least because of the amount of money he has lost, but for the reasons I'll go on to explain I don't think Revolut is responsible for the loss he's suffered. Because of this, I don't think Revolut acted unfairly by not refunding the payments he made. I'll explain why.

Should Revolut have recognised Mr K was at risk of financial harm from fraud?

In broad terms, the starting position at law is that an EMI, such as Revolut, is expected to process payments and withdrawals that a customer authorises it to make, in accordance with the PSRs (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 in February 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 their products, including the contractual terms, enabled them 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 crypto accounts as a step to defraud consumers) and the different risks these can present to consumers, when deciding whether to intervene.

Like our investigator, while I accept Mr K did not directly instruct every payment that was made from his account, he has confirmed he shared the virtual card details with the scammers and knew they would be used to make payments. As such I'm satisfied he can be considered to have authorised them under the PSRs. So, although he didn't intend the money to go to the scammers, under the PSRs 2017 and the terms and conditions of his account, Mr K is presumed liable for his loss in the first instance. And under the terms and conditions of the account, where a valid payment instruction has been received, Revolut's obligation is to follow it.

But it is also evident that Revolut recognised Mr K was at a heightened risk of financial harm from fraud from his first payment. On 20 February 2024 Mr K instructed a £23,900 payment to a new beneficiary. Revolut held the payment and presented Mr K with a series of interactive scam warning screens which advised that the payment had been flagged by the system as a potential scam. Mr K was *warned "Please answer truthfully. If you're being scammed, the fraudster may ask you to hide the real reason for this payment"*. Mr K acknowledged this warning and went on to answer multi-choice questions that were designed to better understand his payment purpose. Mr K selected that his transfer was to *"Pay a family member or friend"* and that it was for a *"wedding"*. He also confirmed that no one was telling him how to answer the questions, and he moved past a warning that advised *"if someone is telling you to ignore these warnings, they're a scammer"*. After which the payment was processed

Revolut intervened again when Mr K instructed a £24,000 payment to another new beneficiary on 20 February 2024. Mr K was again presented with the same warning screens and multi-choice questions, which he answered in the same way. On this occasion Revolut initiated an in-app chat with Mr K, to ask some further questions about his proposed payment. Mr K said the payment was for *"an upcoming family wedding"*. Revolut warned Mr K that *"Scammers may impersonate Revolut, another bank or the police and pressure you to make a payment urgently, telling you to ignore our alerts. Never ignore these alerts, even if someone tells you to. Please stop and let us know if you are concerned for your account safety."* Mr K acknowledged that warning and confirmed *"I'm not being guided"*.

Given the value of these initial two payments, which were completely out of keeping with Mr K's account usage up to that point, I consider Revolut's intervention ought to have gone further than it did. While Revolut had asked Mr K some questions that sought to identify a potential scam risk - for example why he was looking to make the payments and whether he was being guided in answering questions - it failed to probe on the answers given. For example, it accepted that Mr K was making two similarly sized large payments to new beneficiaries for a wedding, without probing on what the payments were specifically for or who the beneficiaries were. I would have expected Revolut to have asked further questions to test Mr K's story, as it ought to have been considering that scam victims may be provided with a cover story.

I think there were also other payments made as part of the scam that ought to have triggered further questions and intervention from Revolut – for example several large card payments to merchants on 22 January 2024.

But even if Revolut intervened on these other occasions, or had it asked Mr K further probing questions as I would have expected it to, I'm not persuaded it would most likely have prevented his loss. I'll explain why.

Would proportionate intervention from Revolut have identified the scam and prevented Mr K's loss?

In addition to the interventions touched on above, Revolut intervened again on another payment on 21 February 2024 and again invited Mr K to an in-app chat. On this occasion the adviser did ask more probing questions about the payment. Mr K again said the payment related to wedding, he was asked to elaborate on what the payment was for and if he could share any invoices or details for the booking. Mr K explained that a family member was organising the wedding and was using the funds to make the booking, so he couldn't provide any further confirmation. But he provided a date and venue for the wedding. Mr K was also warned on at least two further occasions about impersonation / safe account scams.

I'm also aware that Mr K's bank, where most of his funds originated from, also intervened when he instructed payments to Revolut and elsewhere. Mr K was again not truthful with his bank about what his payments were for, and again he ignored explicit warnings about impersonation / safe account scams. And this was even the case when his bank explicitly described a situation that matched with what Mr K has described happened – i.e. a call warning about fraud on his account; an instruction to move money elsewhere and an instruction to lie to his bank.

So, while Mr K has suggested that Revolut could have prevented the scam had it spoken with him on the phone, I'm not persuaded it would most likely have led to the scam being uncovered or Mr K deciding not to go ahead with the payments. It seems most likely that Mr K would have continued to mislead Revolut about the payments, as he had done from the outset with both Revolut and his bank.

I'm mindful that Mr K has said that the scammers had manipulated him into providing the bank with cover stories for his payments, as he believed this was necessary to keep his funds safe. He was also led to believe that a bank employee may be involved in the scam, and so disclosing what was going on would put him at risk (although it is unclear why he also misled Revolut). But while I may understand Mr K's motivation for providing inaccurate information to Revolut and his bank, I must nevertheless consider what impact this had on Revolut's ability to uncover the scam and ultimately protect Mr K from the risk of financial harm from fraud.

While Revolut recognised there was a heightened risk of financial harm, it was to some

extent reliant on the information Mr K provided to understand the actual risk he faced. As a result, even if Revolut had intervened in the way I would have expected it to, I'm not persuaded it would have led to the scam being uncovered. I think Mr K would most likely have provided Revolut with answers that would have disguised the true purpose and intent of the payments.

And even if Revolut had provided Mr K with a more detailed scam warning, regardless of his answers, I'm not persuaded it would have dissuaded him from continuing to make the payments, as he did not take heed of the explicit warning provided by his bank which ought to have resonated with him.

As such, I'm not persuaded that either further probing questions or more detailed scam warnings would have uncovered the scam or ultimately prevented Mr K's loss.

Could Revolut have done more to recover Mr K's losses

I've considered whether, on being alerted to the scam, Revolut could reasonably have done anything more to recover Mr K's losses, but I don't think it could. Revolut has demonstrated that it attempted to recover the funds transferred to third parties, but no funds remained. In terms of the card payments, the only option for recovery would've been via a chargeback, but Mr K would have been unable to evidence that the merchants did not provide the goods or services paid for. As such, a chargeback claim would be unlikely to succeed.

In conclusion, I have a great deal of sympathy with Mr K being the victim of what was clearly a cruel scam. But it would only be fair for me to direct Revolut to refund his losses if I thought it was responsible for them. For the reasons I have explained above, I'm not persuaded it could have prevented Mr K's loss.

My final decision

For the reasons given above, I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 15 December 2025.

Lisa De Noronha
Ombudsman